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I. PLAN DEVELOPMENT PROCESS

Process for developing the state plan and a summary of comments considered in the plan development process.

A. Timeline (see Appendix A.)

A series of committees were formed to ensure maximum input into the state plan development process. An operating group was formed from representatives of the Department for Adult Education and Literacy (DAEL), the Department for the Blind (DFB), the Department for Employment Services (DES), the Department for Technical Education (DTE), the Department of Vocational Rehabilitation (DVR), the Office of Training and ReEmployment (OTR), One-Stop Career Center Systems, the Cabinet for Workforce Development, the Kentucky Community and Technical College System (KCTCS), the Cabinet for Economic Development (CED), CED Division for Research and Bluegrass State Skills Corporation, Governor's Office for Policy and Management (GOPM), the Kentucky Labor Cabinet, the Cabinet for Families and Children (CFC), the Council on Postsecondary Education (CPE), the Department for Local Government (DLG), and the EMPOWER KENTUCKY Simplified Access Team (SAT). See **Appendix B.** for a brief description of each agency. Charged with developing a state plan to implement the Workforce Investment Act of 1998, the operating group formed subcommittees to address accountability, finance, information systems integration, one-stop partners, strategic planning and youth. The general public, local officials and other state agencies were also represented on each subcommittee. Meeting for more than five months, these subcommittees developed recommendations for the state plan. They will continue to meet and involve others as the plan evolves over the five year period.

B. Comments

To ensure maximum public participation, Kentucky employed multiple formats to involve stakeholders in the planning process. These included the use of cutting edge technologies for statewide, interactive video-conferencing and more conventional approaches. A public hearing was held on December 15, 1998 to solicit input into the plan development process and the designation of local workforce areas. Both oral and written comments were accepted. An additional public hearing was held on March 3, 1999 enabling the public to review and comment on the draft plan. A summary of the public comments is attached in **Appendix C.**

II. STATE VISION AND GOALS

INTRODUCTION

Kentucky, through a number of recent initiatives, has undertaken efforts to enhance the overall workforce investment system. The state's policy makers view the Workforce Investment Act of 1998 as a catalyst to further evaluate and refine the system. The Commonwealth has adopted the following mission statement: *to expand and enhance the quality and quantity of Kentucky's workforce.* Success of this mission is predicated upon achieving the following policy outcomes:

POLICY OUTCOMES	INDICATORS (bulleted) / MEASURES (italicized)
COMPETENCIES	<ul style="list-style-type: none"> • Educational attainment <ol style="list-style-type: none"> 1. <i>Continuous education and retraining</i> 2. <i>Basic education improvement (e.g. HS diploma, GED, literacy functional level)</i> 3. <i>Increase number of people with postsecondary credentials, licenses and certificates</i> • Skills standards attainment <ol style="list-style-type: none"> 1. <i>Foundational/basic skill standards</i> 2. <i>High-performance manufacturing skill standards</i> 3. <i>High priority occupational skill standards</i> • Information technology literacy <ol style="list-style-type: none"> 1. <i>Degrees awarded in computer fields</i> <ol style="list-style-type: none"> 1. <i>New jobs in information technology industry</i> 2. <i>Measures for elementary/secondary students</i> 3. <i>Information technology literacy skill of general population (survey)</i> • Information technology access <ol style="list-style-type: none"> 1. <i>Number with access at home</i> 2. <i>Number with access in the workplace</i> 3. <i>Number of public access points</i> 4. <i>Number of WWW servers in Kentucky</i> 5. <i>Number of computers and Internet access in schools</i>
MARKET SUCCESS	<ul style="list-style-type: none"> • Market penetration <ol style="list-style-type: none"> 1. <i>Increase number of businesses (with benefits, high technology, and higher wages)</i> 2. <i>Expansion of existing businesses</i> 3. <i>Diversity of markets served, especially managerial-level staff</i> 4. <i>Increase percentage of businesses served</i> • Customer responsiveness <ol style="list-style-type: none"> 1. <i>Increase use by employer and individual customers (first-time)</i> 2. <i>Increase number of repeat customers</i> 3. <i>Increase use of multiple services by employers and individuals</i> 4. <i>Increase customized training</i> 5. <i>Increase number of placements</i>
INNOVATIVE ENTREPRENEURIAL CULTURE	<ul style="list-style-type: none"> • Start-up firms • Patents • Initial public offerings • Venture capital funds • Small business innovation research grants
LABOR FORCE PARTICIPATION	<ul style="list-style-type: none"> • Increase percentage of working age population who are working • Reduce number of unemployment claims • Reduce unemployment insurance average benefit period

POLICY OUTCOMES	INDICATORS (bulleted) / MEASURES (italicized)
WELL-BEING ENHANCEMENT	<ul style="list-style-type: none"> • Increase per capita income <ol style="list-style-type: none"> 1. <i>Relative to the Commonwealth's current rate</i> 2. <i>Relative to the national average</i> • Increase median income • Reduce poverty rates <ol style="list-style-type: none"> 1. <i>Relative to the Commonwealth's current rate</i> 2. <i>Relative to the national average</i> • Increased quality of life • Increase self-sufficiency <ol style="list-style-type: none"> 1. <i>Reduce public assistance recipients</i> • Increase number of jobs with benefits <ol style="list-style-type: none"> 1. <i>Health coverage</i> 2. <i>Retirement/pension</i> <ol style="list-style-type: none"> 1. <i>Unemployment insurance</i> • Reduce underemployment <ol style="list-style-type: none"> 1. <i>Individuals working multiple jobs</i>
POPULATION SHIFTS	<ul style="list-style-type: none"> • Increase in-migration of working age population • Decrease out-migration of working age population

GOALS AND STRATEGIES:

Paramount to the creation of this plan is engaging and ensuring long-term stakeholder involvement. Continuous communication, continuity, partnerships emphasizing local empowerment, service integration, and continued accountability will serve as the foundation for systemic workforce reform.

This system must focus on customer needs. Through services provided in a one-stop environment, Kentuckians will have the tools for economic self-sufficiency. Partnerships between service providers and employers will be critical in the development of a market-driven workforce that demands lifelong learning.

The new system envisions access to services through one-stop centers. Such centers, while maintaining flexibility to reflect local workplace needs, will seek to maximize service to all customers.

Access should be provided from multiple, continuous and self-directed locations. Such access can be enabled by Internet-based applications, voice response systems, and virtual office/telecommuting projects. Likewise, assistive technologies can be used in the multiple and virtual access points to assure access for all individuals regardless of literacy, skill level, or physical disability. Communications among providers, employers, and job seekers will be expedited through the use of Internet e-mail, enabled shared scheduling, and on-line dialogue capabilities. Technology will also be a critical factor in maximizing the capability to provide training through distance learning.

A. What are the State's broad strategic economic and workforce development goals?

Governor Paul Patton's overarching goal for the Commonwealth is to enhance the quality of life and propel Kentucky to achieve economic opportunity above the national average in 20 years. Additionally, through a statewide strategic planning process, the following economic development goals were established: to reduce unemployment and increase per capita income; create a globally competitive business environment; manage resources to maximize return on investment; and manage Kentucky's natural resources and cultural assets to ensure long-term productivity and quality of life. The goals are being achieved through numerous state and private sector initiatives.

Kentucky recognizes the critical importance of expanding, improving, and sustaining a system of workforce development and life-long learning. The Cabinet for Workforce Development currently includes agencies that are responsible for the following major federal education, employment and training programs: Job Training Partnership Act (JTPA), the Carl D. Perkins Vocational and Applied Technology Education Act, the Adult Education Act, the Vocational Rehabilitation Act, the School-to-Work Act, and the One-Stop Career Center System federal initiative. In addition, the Cabinet houses the state's Occupational Information Coordinating Committee, the state Job Training Coordinating Council, the State Board for Adult and Technical Education, the State Board for Proprietary Education, and the Workforce Partnership Council. No other state agency in the country includes all of these programs under one organization umbrella. The administrative structure has enabled Kentucky to develop policies, plans, and programs that are closely linked and integrated.

In June 1994, Kentucky completed the first-ever Strategic Plan for Economic Development. The plan was prepared by the Kentucky Economic Development Partnership Board, a public-private body established by the Kentucky General Assembly and charged with overseeing economic development activities throughout the Commonwealth. In preparing the plan, the Board collected substantial data on the state's economic, social, and education status, met with and interviewed Kentuckians from all regions of the state and all sectors of the economy, and conducted over 20 focus groups around the state in which public and private sector Kentuckians had an opportunity to express their views on the current economic situation and their priorities for the future. Workforce training was a critical element of the Economic Development Strategic Plan. The need for a better-trained workforce was the most frequently mentioned issue in many focus groups. Implementation teams were put together and continue to work on the plan's recommendations for workforce development efforts.

In a 1997 special session, the General Assembly enacted the *Kentucky Postsecondary Education Improvement Act*. One of the focal points of this legislation was the creation of the Kentucky Community and Technical College System (KCTCS). KCTCS is charged with the provision of the first two years of postsecondary education and more specifically, is expected to provide education and training programs "necessary to develop a workforce with the skills to meet the needs of new and existing industries...." This charge is further articulated in the legislation by assigning KCTCS the responsibility to "increase the technical skills and professional expertise of Kentucky workers" through degree, diploma, and certificate programs, and to develop a pool of educated citizens to support the recruitment and expansion of business and industry. Clearly, accomplishing these mandates is critical to realizing the economic development strategic plan goals and maintaining consistency with the goal to raise the Commonwealth's per capita income.

The Commonwealth's unique social and economic circumstances must be recognized and accommodated. It is essential that an improved system include a more efficient utilization of resources, greater private sector involvement, and a more inclusive approach to policy-making and planning that will enhance collaborative relationships. Changes driven by a policy that emphasizes local engagement and flexibility in planning and decision-making are critical to meet the workforce needs of the citizens of Kentucky.

Local empowerment to implement the provisions of an improved workforce development system provides the flexibility needed to meet changing employer needs and community challenges. To achieve sustained, long-term benefits and expand community engagement, a coordinated local effort is imperative. Locally designed and driven workforce development systems developed in partnership with local elected officials (LEOs) and workforce investment boards (WIBs) are essential to meet changing employer and community needs.

Kentucky's current workforce investment technology framework has been greatly enhanced due to technology and reengineering initiatives. For example, EMPOWER Kentucky is an initiative to redesign business processes and utilize technology to generate cost savings, increase revenue, and improve services in state government. As a result, Kentucky is in the forefront in implementing the basic underlying principles of the Workforce Investment Act of 1998. Early implementation allows the Commonwealth to seize this timely opportunity to further grow our technology, taking advantage of increased flexibility and innovative service delivery strategies. The new system will be universal, seamless, performance based and responsive to the needs of job seekers, information seekers, employers, and providers in order to facilitate information flow and accountability for all levels of program participants.

Kentucky envisions the Act as the vehicle for a broader, more comprehensive approach to meet its workforce challenges. The coordination and cooperation demonstrated in the plan development process is an indicator of the approach to implement the Act throughout the Commonwealth. Key principles that guide both plan development and subsequent implementation illustrate this commitment. They are:

- a workforce that is prepared to meet employer needs;
- workers who are able to earn a sustainable income;
- utilization of technology to deliver a new system that will be universal, seamless, performance based and responsive to the needs of job seekers, information seekers, service providers and employers; and
- active partnerships within local communities to coordinate programs among agencies and with employers.

Kentucky views this opportunity to develop an implementation plan for the Act with great importance. Although Kentucky has implemented improvements to its current workforce delivery system, it is evident that much more needs to be done to ensure that the workforce possesses the skills necessary to compete in today's economy. Poverty levels, low per capita income, and low levels of educational attainment must be addressed through a holistic approach that serves the needs of all Kentuckians.

B. State's vision of how the Act's statewide workforce investment system will help the state attain these strategic goals.

Kentucky's workforce investment system is the primary mechanism through which the strategic economic and workforce development goals will be attained. Creating a unified workforce investment framework will require incorporation of the principles underlying the Commonwealth's 1997 postsecondary education reform. The new workforce system will be:

- universal
- seamless
- customer-focused
- performance based

The new system will respond to the needs of all Kentuckians, especially employers, job seekers, and information seekers, by addressing the Commonwealth's changing demographics and its technological and economic needs. The reformed workforce investment system's ultimate measure of success will be a higher standard of living in Kentucky.

Kentucky's vision for the Act is to improve the quality of the workforce, reduce welfare dependency, and enhance productivity and global competitiveness. To accomplish this vision it will be necessary to:

- **Refocus** workforce and economic development efforts through a commitment to a comprehensive strategic plan that addresses customer needs; and
- **Redesign** an effective universal structure and service delivery system that is accessible to all through proven re-engineering techniques and deployment of cutting edge information technology.

Vision Questions/Statement

- **In five years, how will services be further streamlined?**

Rethinking the way customers are served in the one-stops is essential to create an integrated workforce investment system. Kentucky is streamlining traditional state administered programs and avoiding duplication of services through agency consolidation in many of the executive branch cabinets. The Commonwealth has been aggressively implementing technological solutions over the past three years, many of which have direct benefits for implementation of the Act. Through these solutions, Kentucky will continue to streamline services by integrating systems and providing the state infrastructure, both through technology and refined business processes necessary to promote electronic data sharing and communications among cabinets and programs. While recognizing that many clients will continue to need direct contact and interaction with agency staff, Kentucky's technology direction in the next few years will reflect the federal strategy to provide technology tools and computerized assistance for self-help services.

Therefore, a critical component will be creativity and innovation at the local level. Generally, it is difficult at the state level to identify methods to streamline services. In order to promote this innovation, the state will establish incentives such as demonstration grants to develop and model best practices.

To further streamline services, the state has established enterprise information technology standards and architecture that will offer better services to its citizens. The architecture and

standards must allow for maximum access and flexibility to achieve this vision. Therefore, customers can regularly access information technology resources from numerous of locations. Finally, as the architecture evolves, all applications will be built to promote full compatibility (e.g. modularity, openness) and resource sharing.

There should be no systems that restrict access and limit the effectiveness of shared customer information; however, locally designed technology systems may also be needed for specific labor market information. Such systems should be designed in compliance with the state's information technology architecture and standards to ensure interoperability and data sharing. Equipment and assistance should be non-program dedicated, and there will be unrestricted on-site access to resource room tools.

In order to efficiently and effectively serve customers, capacity building and staff training needs will be identified and addressed. These efforts, based on local workforce investment area demands, will be ongoing to continuously improve the system.

- **What programs and funding streams will support service delivery through the one-stop system?**

All required and any additional partners will support service delivery through the one-stop system by providing funds, services, staff, or other in-kind resources. Within each local area, the mix and level of service delivery will be negotiated between the partners and the local WIB.

- **Typically, what information and services will be provided and how will customers access them? How will the goal of universal access be assured?**

Services and information for customers will be publicized statewide and available in local workforce investment areas through multi-access points and in multiple formats (electronically, public/print media, etc.). Services and information may include: labor market information, educational opportunities, employment opportunities, employer requested customized training, and job matching. Universal access will be assured through criteria established by the KWIB and the local plan approval process managed at the state level. On-line access will be part of the design consideration for information service delivery.

- **For customers who need training, how will informed customer choice and the use of the Individual Training Accounts (ITAs) be maximized?**

A management information system database will be developed to facilitate the oversight and accountability of ITAs. As part of this design, the Office of Training and ReEmployment will maintain an electronic directory of eligible providers that includes performance data. Regularly updated, this list will be available to the local WIB staff, the one-stop staff, and individuals through multiple formats including print and public media, and electronic means such as web sites on the Internet. Also, the *Kentucky Resource Directory*, along with the appropriate Internet site, will serve as another vehicle for information regarding training providers.—Local WIBs will be required to specify in their plans the criteria for exceptions to the use of ITAs.

- **How will the Wagner-Peyser Act and unemployment insurance services be fully integrated into the system?**

Through reengineering and technology, all of these services will be provided in a one-stop system.

- **How will the state's workforce investment system help achieve the goals of the state's welfare, education, and economic development systems?**

The Governor's goal to increase the Commonwealth's per capita income to the national average in 20 years can only be achieved through a combination of improved educational attainment and expanded economic development initiatives. The *Postsecondary Improvement Act of 1997* articulates this vision by stating that the general welfare and material well-being of the Commonwealth's citizens depend in large measure upon the development of a well-educated and highly trained workforce. Further, the education and training of the current and future workforce can provide businesses and industries with the competitive edge critical to success in the global economy and must be improved to provide citizens the opportunity to achieve a standard of living above the national average. The recently created KCTCS is charged with the responsibility to assure the training necessary to develop a workforce with the skills to meet the needs of new and existing industries, and remedial and continuing education to improve the employability of citizens.

In creating a workforce system that is more flexible, responsive to customers, accessible, and designed to break down barriers which artificially limit workers' success, the overall outcome will be a better educated and trained workforce that leads to an improved standard of living. In turn, additional education and training creates globally competitive employees who increase industry productivity.

Greater system coordination will assist employers in meeting their workforce needs. Assistance in obtaining trained workers enables existing industries to expand and encourages the recruitment of new companies. A single point of contact for employers coupled with centralized data access will make it easier to identify a trained worker pool or appropriate training provider.

Technology improvements in service delivery with an emphasis on self-service and accountability will allow Kentucky's welfare, education, and economic development systems to achieve the state's workforce development goals. Please reference **Appendix D** (WIA Framework for Information Technology) for further explanation.

Under the EMPOWER Kentucky initiatives, the Commonwealth has completed extensive re-engineering efforts aimed at improving the delivery of health, human, and employment services. Simplified Access to Commonwealth Services is an EMPOWER KENTUCKY initiative involving the Cabinet for Workforce Development, the Cabinet for Families and Children, and the Cabinet for Health Services. With the advent of welfare reform, healthcare reform, and workforce investment legislation, Kentucky is faced with unprecedented requirements for overhauling its basic social services infrastructure.

The expanded array of services supported by the redesigned workforce investment system will benefit the general population as well as targeted audiences such as welfare clients. Universal access will assist all unemployed or underemployed workers to identify relevant support or educational programs which contribute to a skilled workforce. This will also reduce any perceived stigma that services are only for low income individuals. The addition of counseling services will lead to more appropriate matches between skills and employment opportunities

and assist customers in their pursuit of different career goals. Increased outreach efforts, including marketing to target audiences, will assist in making groups such as welfare clients aware of the services available through the system. Close working relationships between the local welfare planning entities and the one-stop centers will help assure that this critical population receives professional workforce development services in a non-threatening and seamless fashion, increasing the potential for successful transition from welfare dependency to self-sufficiency. Effective interagency communication, information sharing, and referrals can be enhanced greatly by the use of electronic communications/telecommunications.

Distance learning technology permits delivery of educational programs and courses to multiple sites to maximize the use of resources. Created as part of the state's *Postsecondary Improvement Act*, the Commonwealth Virtual University will expand educational access and increase educational attainment across Kentucky; upgrade workforce skills and expand professional development through basic and continuing education; increase collaboration and foster efficiency and effectiveness in delivering courses and programs; enhance educational quality; and increase global competitiveness of Kentucky's educational resources. Service to employers will be enhanced through the offering of programs specifically designed to meet their training needs. Access to information on educational programs and their effectiveness enables more effective decision-making.

Local flexibility allows communities to target specific educational and training needs of the population such as those who need literacy training. Certification of multiple providers in each community, coupled with individual choice to select an educational program, provides an increased opportunity for personal responsibility.

By designing a workforce investment system more consistent with the goals and needs of the welfare, education, and economic development systems, Kentucky will make significant progress toward achieving its goal of improving economic prosperity and raising the standard of living in the Commonwealth above the national average in 20 years.

Increasing skills = higher rates of employability = higher wages = increased levels of business productivity = higher levels of economic activity = higher tax revenues on a lower base to fund social programs = continued prosperity.

- **How will the youth programs be enhanced and expanded so young people have the resources and skills they need to succeed in the state's economy?**

The state will ensure that the local areas, through their youth councils, have the flexibility to develop programs to assist young people in accessing services that will enhance and/or expand their education and employment skills. There are several exemplary programs throughout the Commonwealth that currently address the varied needs of our youth. Some examples include Jobs for Kentucky Graduates (JKG), Job Corps, Family Resource Centers (instituted under the Kentucky Education Reform Act), Goodwill Industries' youth training programs, and other local youth training initiatives that have been very successful in addressing "high risk" youth. The extension of these programs in the local area will provide the necessary resources and linkages in order for the youth to access more opportunities to receive the training and education needed to obtain and retain employment. Youth 14-18 will be provided with training and education services, including summer employment activities, through contracted services. Youth 19-21 will access services through the one-stop.

It is imperative that programming be a local decision. Local youth councils will ensure youth programs are enhanced so young people have resources and to develop needed skills. The local youth council will depend on area employers to define necessary skills and the Secretary's Commission on Achieving Necessary Skills (SCANS) to prepare youth for success in the state's economy. Local decisions may include expanding JKG, Job Corps, summer youth employment, or other existing programs.

C. Identify the performance indicators.

For adults, dislocated workers and youth 19-21

- Entry into unsubsidized employment
- Six-month retention in unsubsidized employment
- Six-months earnings received in unsubsidized employment
- Attainment of educational or occupational skills credential

For youth 14-18

- Attainment of basic skills, work readiness and/or occupational skills
- Attainment of secondary school diplomas/equivalents
- Placement and retention in postsecondary education/advanced training in military, employment, or registered apprenticeships
- Participant customer satisfaction and employer customer satisfaction

Kentucky will include negotiated levels of performance prior to plan approval. No additional measures are requested for the first year of the plan. Kentucky will continue to monitor and evaluate and may, in the future, add additional measures.

III. ASSESSMENT

A. Market Analysis

1. Key trends expected to shape the economic environment of the state during the next five years.

In 1997, manufacturing represented 14.9 percent of all jobs in Kentucky and services comprised 25.4 percent. In durable goods manufacturing, the fastest growing sectors are transportation equipment, motor vehicles, and fabricated metals products. High growth nondurable goods manufacturing sectors include rubber and miscellaneous plastic products, paper and allied products, and textile mill products (U.S. Department of Labor, Bureau of Labor Statistics).

From 1993 to 1997, business services grew almost seven percent per year, the fastest growth among service industries. The service sectors with the largest share of employment in Kentucky were business services and health services. Business services comprised 19.3 percent of all service sector jobs in 1997 (U.S. Department of Labor, Bureau of Labor Statistics).

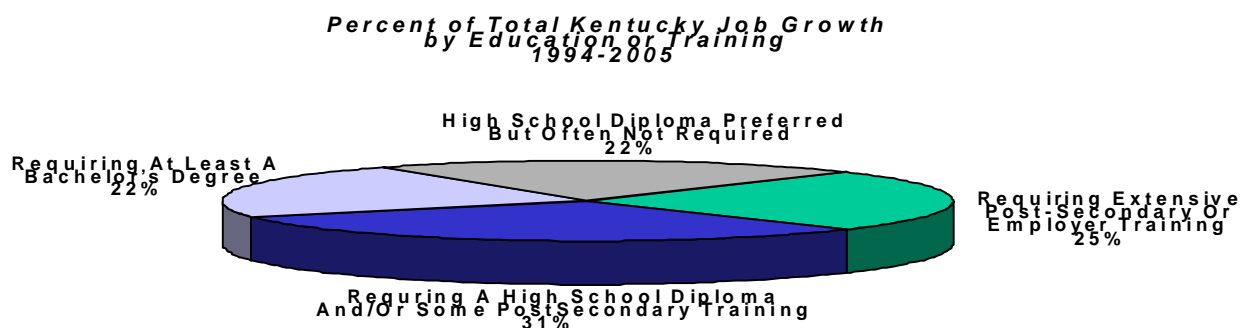
Kentucky's occupational outlook to 2005

The Kentucky economy is expected to grow at a rate of about 17 percent and create more than 300,000 new jobs through 2005. An additional 428,000 job vacancies will likely occur as

workers leave or separate from various occupations in Kentucky. Such job vacancies become available from retirements, promotions, or transfers within occupations. This means the Kentucky economy will generate over 66,000 jobs per year through 2005 that will have to be filled by newly educated and trained workers.

Nearly 50 percent of the new jobs created through 2005 will be in two major occupational divisions: professional/technical and services. Employment in professional/technical occupations will produce the most new jobs of all sectors followed by new service jobs. Within these two major sectors, health care and computer-related occupations will grow very rapidly through 2005. New jobs in personal service and protective service occupations will also increase at a very fast pace.

Employment will grow in occupations requiring all levels of education and training. Kentucky's job growth will range from 22 to 31 percent through 2005 when allocated among the four education levels illustrated in the following graph. Employment in occupations requiring education and training beyond high school will increase in the share of total employment by 2005.



Source: Kentucky Workforce Development Cabinet, Department for Employment Services, Research and Statistics Branch.

According to the University of Kentucky's 1999 *Annual Economic Report*, the following sectors are expected to experience at least a two percent decline over the next three years:

- coal mining
- food processing
- tobacco manufacturing
- printing and publishing
- leather products.

The only decline in the service sector is expected in federal government employment, which has a projected decline of .8 percent.

2. **Identify the implications of these trends in terms of overall availability of employment opportunities by occupation, and the job skills necessary in key occupations.**

The Kentucky Cabinet for Economic Development recently partnered with other economic development organizations to develop a target industry analysis. The study identified two industries for each of five regions across the state in which Kentucky can provide competitive advantages. The industries were chosen based on the return on investment each would bring to the state. The following table indicates the industries, occupations associated with each, and the region of the state for which the industry is being targeted. It must be noted, however, that while the study allows Kentucky to utilize limited marketing resources more effectively, there are many other industry sectors for which Kentucky offers a competitive advantage.

Industry	Occupations associated with industry	Targeted Region
Production distribution and construction related machinery and equipment	Machinists, assemblers and fabricators, production supervisors, sales and related workers, tool and die makers	Central and Northern Kentucky Regions
Automotive parts and accessories	Assemblers and fabricators, blue collar worker supervisors, inspectors, tester, and graders; machine tool workers; machinists	Central Kentucky
Subassemblies and components	Electrical and electronic assemblers; assemblers and fabricators; inspectors, testers and graders; blue collar workers supervisors; electrical and electronic engineers; electrical and electronic technicians	Eastern Kentucky
Rubber and plastics products	Plastic molding machine operators, assemblers, and fabricators; tire building machine operators; machine operators	Eastern Kentucky
Delivery time sensitive high value-added products and services	Electrical and electronic technicians, including repair; electrical and electronic engineers; secretaries; computer engineers and scientists	Louisville/I-65 corridor
Metal stamping and machined products	Assemblers and fabricators; sheet metal workers; welders and cutters	Louisville/I-65 corridor
Headquarters and sales offices	Account managers, sales professionals; production managers; customer service representatives; computer operators	Northern Kentucky
Port-related manufacturing	Blue collar worker supervisors; laborers and material movers; packaging filling machine operators; assemblers and fabricators, industrial machinery mechanics; machine feeders, drivers of light and heavy trucks	Western Kentucky

Information age (call centers and back office operations)	Customer service representatives; network technicians; collection agents, general clerks, secretaries, administrative assistants, production clerks	Western Kentucky
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Source: Target Industry Analysis. Prepared for the Cabinet for Economic Development by the Wadley-Donovan Group, 1997.

The Target Industry Analysis also included an employer attitude survey. The survey indicated that many employers are not able to hire persons with the skills needed by their firms. Further, the current workforce development system does not adequately identify employer needs nor effectively prepare Kentucky workers for future opportunities. The employers indicated a shortage of workers in most skilled production and maintenance occupations (machine operators, and maintenance mechanics), experienced managers, computer systems professionals, and technicians.

In addition, basic skills of job applicants were found lacking, particularly in writing ability, verbal skills, arithmetic/mathematics, and reading comprehension. The computer literacy of applicants was also reported as unsatisfactory, except for general keyboard skills, which was rated as acceptable. Other sources report that potential employees lack many of the soft skills desired by employers such as the ability to work in teams, to accept direction and accept responsibility, conflict resolution, punctuality, attendance, etc.

3. Identify the customers of the state's workforce investment system.

The customers of the Kentucky workforce investment system are job seekers, information seekers, and employers. Job seekers include first-time entrants into the labor market, persons seeking career changes, and persons re-entering the labor market. An information seeker may be any person desiring education, training, or employment information made available through the system. Employers are any public or private sector employer. These broad categories represent potential users and will serve to guide development of a system that is universal, seamless, customer-focused, and performance based. Such a system will be responsive to customer needs and support flexibility in local workforce investment areas by permitting identification of target populations based upon local demographics. This system will also be responsive to the needs of long-term job seekers who may be participating in an educational/training program.

4. Given the projected job skills needed in the state, identify for each of your customer segments their projected skill development needs.

Current and projected growth in the industrial sectors of transportation equipment, fabricated metals, plastic products, paper and allied products, and textile mill products reveals that skills training in increasingly technical manufacturing jobs is needed. In addition, as service sector and information based employment increases, professional, technical, healthcare and computer related occupations will require additional training in information technology, geographic information systems, and skills associated with healthcare.

Kentucky realizes that growing the economy from within will provide additional employment opportunities for its citizens. Therefore, the state intends to provide training in entrepreneurial

development. This training will equip those citizens who wish to start their own business with the skills for owning and operating an enterprise.

The following is a representative list of anticipated skills training needs.

Industrial Sector Technical Skills Training Needs:

- computer aided design
- computerized numerical controls
- computer skills/computer software
- electronics
- machine and process operation
- maintenance
- motor controls
- programmable logic controllers

Service Industries Training Needs:

- marketing
- accounting
- information management

Entrepreneurial Training Needs

- accounting
- management
- planning
- oral communications
- time management
- analytical skills

Soft Skills

- communications
- leadership/supervisory skills
- problem solving
- teamwork/team building

Quality

- just in time
- quality system
- total quality management

B. State Readiness Analysis

1. Leadership

a. Kentucky Workforce Investment Board (KWIB) - (i through vi):

The 25 member Kentucky Workforce Investment Board (KWIB) was established by Governor Paul Patton on February 17, 1999. With the exception of state legislators, members were appointed by the Governor from nominations submitted by the general public, interest groups such as business and trade organizations, and state labor federations. Those appointed represent the following groups: business, community-based and labor organizations, youth, state legislators, elected and lead state government officials.

The KWIB's activities will be administered by staff in the Office of Training and ReEmployment (OTR) which will continue providing orientation, technical assistance, and administrative support enabling the Board to operate in the most efficient and effective manner. OTR will be the repository for state WIB materials; therefore, records regarding WIB activities may be obtained by contacting the executive director of OTR. OTR staff will ensure adequate public notice regarding KWIB meetings and activities as required by KRS 61.820 and 61.823.

Adopting Rules of Procedure at its March 12, 1999 meeting (**Appendix E**), the Board approved an active policy role in shaping the statewide workforce development system through the establishment of standards of accountability, sanctions and incentive policies, and evaluating local efforts to achieve the Governor's goal for greater economic opportunity.

Rather than mandating prescriptive policies, the KWIB will adopt broad guidelines to assist the local WIBs, enabling quality and continuous improvement at the local level. Kentucky's WIB will encourage consolidated planning and delivery of services through a coordinated and interactive process involving the local WIBs.

b. Kentucky's conflict of interest policy is applicable to both the KWIB and local WIBs. It follows:

Conflict of interest would exist if a member of a board participated in a discussion or decision that would financially benefit that individual, an immediate family member of that individual, or an organization employing that individual or an immediate family member of that individual. It is incumbent that each member of the board identify when a conflict of interest or a potential conflict of interest is possible in order to refrain from any discussion or decision-making regarding that matter. Such identification should be voiced prior to any discussion regarding that matter. Should this be an issue requiring a vote, the member must abstain from voting or participating in the decision-making process.

No member of any local WIB established under the Act shall cast a vote on the provision of services by that member (or any organization which that member directly represents) or vote on any matter which would provide direct financial benefit to that member.

Whenever the CWD Secretary determines that there is a substantial conflict of interest violation, the Secretary may issue a notice of intent to revoke approval of all or part of the plan affected.

c. State criteria for establishing and maintaining the local WIB.

Local WIB Composition:

At a minimum, membership shall conform with the provisions of Sections 117 and 121 of the Act. Representatives of programs authorized under Title I of the Rehabilitation

Act of 1973 (29U.S.C. 720 et seq.) shall include one individual from each of the following agencies: Department of Vocational Rehabilitation and Department for the Blind. A community or technical college in the Kentucky Community and Technical College System will represent postsecondary educational activities authorized under Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2301 et seq.) when there is a KCTCS institution in the local workforce investment area.

Appointments shall be made from a list of nominees solicited from the administering entities heads: DES — Employment Services, NAFTA, TAA, UI; DVR — Vocational Rehabilitation; DFB — Vocational Rehabilitation; DAEL — Adult Education and Literacy; CFC or CSBG-provider and Older American provider; KCTCS — Postsecondary Education; Title I providers; and HUD — local provider. While every effort should be made by the administering entity to provide multiple nominees, it is recognized that this is not possible for each entity. When possible, nominees should live and/or work in the local workforce investment area. No administering entity is required to participate in the nomination process and, instead, may remove itself from this procedure if it chooses. The Chief Local Elected Official may solicit additional nominations after reviewing the initial list of nominees. Should there be multiple activities provided by any of the aforementioned entities, only one representative is required to serve on the local board.

A majority of the LWIB must be representatives of business in the local area. Local elected officials may serve on the local WIB; however, they may not represent business nor serve as chair of the board.

While the Act does not allow the state to prescribe the size of local boards, it is suggested that local officials refer to the size and composition of the KWIB as a model.

LWIB Maintenance:

OTR, at the direction of the KWIB, will establish certification procedures for the LWIBs. The representative of any organization, agency, or other entity shall have that organization as his/her primary employer, unless that organization has no direct employees in a given area, such as some economic development agencies. As an example, an individual who owns a business and/or works full time for another employer, such as the public employment service, could not represent the private sector but could represent the employment service.

d. Allocation Formulas

i. State's system for Allocation of Workforce Investment Act Funds

WIA Title I Funds are allocated on the basis of the prescribed formula and methodology from the United States Department of Labor (U.S. DOL). The formula is one-third based on relative number of unemployed, one-third on relative excess number of unemployed, and one-third on relative number of disadvantaged individuals compared to the total number of each in all states.

Seventy percent of the funds allocated to the local areas for youth activities and adult training and employment activities will be allocated based on the formulas specified in

Section 128(b)(2)(A)(i) and 133(b)(2)(A)(i) respectively. The remaining 30 percent of the funds for youth activities and adult training and employment activities will be allocated to the local areas using the two additional discretionary factors specified in 128(b)(3) and 133(b)(3) respectively. Each discretionary factor will be weighted equally.

ii. Describe the State's allocation formula for dislocated worker funds.

Dislocated workers funds will be allocated to the local areas using the six factors prescribed in Title I, Section 133(b)(2)(B). The weights of each of the six factors have not been determined to date.

The Governor will allocate to the local workforce investment areas 85 percent of the Act Section 127 youth funds. Five percent will be used for statewide administration, and 10 percent will be reserved to carry out statewide youth, adult, and dislocated worker activities specified in the Act.

The Governor will allocate to the local workforce investment areas 85 percent of the Act Section 133 adult employment and training funds. Five percent will be used for statewide administration, and 10 percent will be reserved to conduct statewide youth, adult, and dislocated worker activities specified in the Act.

The Governor will allocate to the local workforce investment areas 60 percent of the Act Section 133 dislocated worker funds. Twenty-five percent will be reserved for statewide rapid response activities, five percent for statewide administration, and 10 percent will be reserved for statewide adult, youth, and dislocated worker activities specified in the Act.

iii. Include a chart that identifies the formula allocation for each funding stream to each local area for the first fiscal year.

The allocations for local areas will be determined when the necessary information from U.S. DOL is received.

e. Describe the competitive and non-competitive processes used at the State level to award grants and contracts for Title I activities, including how potential bidders are being made aware of the availability of grants and contracts.

Standards Established Through Section 184(a)(3) of the Act

Kentucky has prescribed and implemented procurement standards that are in accordance with Section 184(a)(3) of the Act. Section 184(a)(3) requires states, local areas and providers receiving funds under this Act to comply with the Uniform Administrative Requirements as promulgated in circulars or rules by the Office of Management and Budget. The Uniform Administrative Requirements, codified by the Department of Labor in 29 CFR Part 97, provides the standards and procedures for procurement of goods and services in Section 97.36, *Procurement*.

Realizing the critical need for information technology resources, the Commonwealth has established The Strategic Alliance Services (SAS) Contracts Request for Proposal. This is the Commonwealth's initiative to expedite, simplify, and facilitate solution building, and to provide negotiation flexibility in how the executive branch cabinets procure services for information technology. The SAS contract will permit access to 15 state price contracts for

information technology project services from private sector companies through a just-in-time delivery system.

The administrative regulation 29 CFR 97.36(a), reads as follows: “When procuring property and services under a grant, a State will follow the same policies and procedures it uses for procurements from its non-federal funds.” The Commonwealth of Kentucky uses the provisions of the *Kentucky Model Procurement Code* [Kentucky Revised Statutes (KRS), Chapter 45A] for the procurement of all goods and services by state agencies. These methods for awarding contracts are contained within the Model Procurement Code:

- Competitive sealed bidding (KRS 45A.080);
- Competitive negotiation (KRS 45A.085 and 45A.090);
- Noncompetitive negotiation (KRS 45A.095);
- Small purchase procedures (KRS 45A.100); and
- Responsibilities of bidders and offerors (KRS 45A.110).

f. Identify the criteria to be used by local boards in awarding grants for youth activities, including criteria used by the Governor and local boards.

In awarding grants for youth activities, KWIB and LWIBs will assure that providers must address applicable criteria from the following:

- ability to deliver testing and assessment services;
- strong employer linkage;
- comprehensive guidance and substance abuse counseling;
- employment opportunities: paid and unpaid work experience that follow federal and/or state child labor laws;
- accommodations for special needs populations;
- ability to deliver basic skills, tutoring and training skills including drop-out prevention strategies;
- alternative secondary school services;
- summer employment opportunities directly linked to academic and occupational learning;
- work experiences, including internships and job shadowing;
- occupational skills training;
- leadership development opportunities;
- supportive services;
- adult mentoring for not less than 12 months; and
- follow-up services.

The local boards have the discretion to determine what specific services are provided to youth participants based upon local area needs.

g. If this responsibility was not delegated to local boards, provide definition regarding the sixth youth eligibility criterion.

This is a local decision which will be reviewed by OTR during the local planning process. The state's strategy for assisting these individuals is to ensure that employers are educated on the benefits of hiring youth who have barriers to employment.

h. State policies and requirements.

i. Describe any state policies and requirements that have been established to direct and support the development of a statewide workforce investment system not described elsewhere in this Plan.

The KWIB will ensure that local WIBs must have a process for the selection of local providers. At a minimum, local WIBs will have the ability to connect to the state technology system to share information, meet assurances, and document performance and customer satisfaction. Every effort should be made to expand the network to encompass all available one-stop service providers in order to ensure true, informed customer choice.

- **State guidelines for the selection of one-stop providers by local Boards.**

The state's process to work with LWIBs and chief local elected officials will be to recommend measures and guidelines which local boards are encouraged to broaden and supplement to meet community needs. It is recognized that a phase-in period may be required that will be determined by the LWIBs. Criteria for certification shall include, but not be limited to:

- i. ability to connect to the state's technology platform;
- ii. ability to establish a resource center for self service;
- iii. ability to provide a staff development plan that addresses technology, customer service, assistive technology and disability awareness components;
- iv. ability to demonstrate sound fiscal procedures, integrity, and accountability;
- v. assurances (see above); and
- vi. past performance and demonstrated effectiveness, if applicable.

- **The state's process to work with local boards and local Chief Elected Officials to certify existing one-stop operators.**

Measures and guidelines will be recommended for local boards to certify one-stop operators. Local WIBs and chief local elected officials are encouraged to add other measures. The state will be willing to assist in the certification process. The local WIB can establish a phase-in process for establishing one-stop operators for a designated period of time.

The minimum requirement for certification of existing one-stop operators is the ability to establish at least one full-service, comprehensive center within the workforce investment area. At each of these centers, the goal will be co-location and coordinated service delivery for all partners. However, given that limitations exist, the minimum expectation is that all of the required services will be connected through a central network and fully accessible at all times in the comprehensive center.

- **Procedures to resolve impasse situations at the local level in developing MOUs to ensure full participation of all required partners in the one-stop.**

OTR, as a part of its technical assistance and training responsibilities, will act as an arbitrator in cases of impasse at the local level in the development of MOUs. The Act and its regulations will be the basis for arbitration.

- **Criteria by which the state will determine if local WIBs can run programs in-house.**

Local WIBs are prohibited from providing training services unless a waiver is issued by the Governor. A waiver may be issued when the following criteria are met: satisfactory evidence that there is an insufficient number of eligible providers of such a program of training services to meet local demand in the local area; information demonstrating that the board meets the requirements for an eligible provider of training services under Section 122 (eligible provider criteria); and information demonstrating that the program of training services prepares participants for an occupation that is in demand in the local area. The proposed request must be made available to eligible providers of training services and other interested members of the public for a comment period of not less than 30 days; includes in the final request for the waiver the evidence and information described above, i.e., satisfactory evidence that there is an insufficient number of eligible providers, demonstration that the board meets the requirements for an eligible provider, and information demonstrating that the program prepares participants for demand occupations in the local area; and it provides copies of all comments received as a result of the public comment process.

- **Performance information that on-the-job training (OJT) and customized training providers must provide.**

All providers of OJT and customized training must provide performance information, including completion and retention rates. In the case of registered apprenticeship programs, performance criteria will be provided in the registered apprenticeship standards in accordance with KRS Chapter 343. The LWIB will hold OJT customized training providers to higher standards than are specified for training providers in general. One measure should reflect the percentage of program completers who obtain unsubsidized employment in the industry for which training was delivered. For providers of OJT, performance measures should include: retention in unsubsidized employment for six months; increased wages resulting from increased skills obtained through OJT; or employer assisted benefits.

- **Reallocation policies.**

The Governor may, in accordance with Title I Section 128(c) and 133(c), deobligate youth and adult employment and training funds from local areas that fail to obligate 80 percent of a program year's allocation. These funds will be reallocated to eligible local areas based on the formula specified in the Act. The state has developed a voluntary deobligation policy that allows local workforce investment areas to transfer funds to other areas wishing to accept the funds (see **Appendix F**).

- **State policies for approving transfer authority (not to exceed 20 percent) between the Adult and Dislocated Worker funding streams at the local level.**

TRANSFER OF FUNDS

Funds Authorized for Transfer. Only funds allocated to local areas are authorized for transfer between the adult and dislocated worker funding streams. All transfer

of funds must be described in the local WIA plan and approved by the OTR prior to becoming effective.

Identity of Funds. Once the funds are transferred, there is no separate identification; they become part of the total funds available in the receiving funding stream. The transferred funds are subject to the rules of the receiving funding stream, including cost limitations and eligibility requirements.

Not more than 20 percent of the funds allocated to the local area under Section 133(2)(A) or (3), and 20 percent of the funds allocated to the local area under Section 133(2)(B) for a fiscal year, may be transferred between adult employment and training activities and dislocated worker employment and training activities.

Local areas shall submit a request to the OTR to transfer funds between funding streams. All transfers must be completed *before* the end of the affected program year. Exceptions to this policy shall be approved by the OTR on a case-by-case basis only when an acceptable explanation is provided.

Reporting. Expenditures associated with transferred funds are not tracked or accounted for separately; they are reported as part of total available funds in the receiving funding stream.

- **Policies related to veterans' or other groups' priority for services.**
One-stops housing Wagner-Peyser staff will provide veterans with priority employment and training services in accordance with federal law, U. S. Code Title 38, Chapters 41 and 42, and 20 CFR 1001.120(a)(b). The full array of core services will be made available to veterans in the following order of priority: veterans with disabilities, Vietnam-era veterans, veterans, and eligible persons.
- **Policies related to displaced homemakers, nontraditional training for low-income individuals, older workers, low-income individuals, disabled individuals and others with multiple barriers to employment and training.**

The local workforce investment areas may provide services to displaced homemakers as "additional dislocated workers." The goal for training low-income individuals for non-traditional employment is to provide statewide coordination approaches, including model programs, to train, place, and retain low-income persons in non-traditional employment. The services that may be solicited to achieve this goal are: 1) coordination of the recruitment of low-income individuals into occupations through a network of agencies and programs; 2) the provision of the following: non-threatening experimental personal assessment through activities that develop critical thinking skills; 3) determination of the base of personal knowledge related to the numbers of occupations and opportunities in a changing economy; 4) expansion of personal knowledge of the cast number of occupation that are non-traditional for low-income individuals; and 5) discussion of the barriers that have kept low-income individuals in limited occupations with low pay. Training activities for older individuals will be designed to improve participation in the workforce and lead to higher earnings for participants who successfully complete them.

In the event that the funds allocated to local areas for adult employment and training activities are limited, priority shall be given to recipients of public assistance and

other low-income individuals for intensive services and training services. Persons with disabilities will be afforded opportunities for training activities designed to improve participation in the workforce and lead to higher earnings for participants who successfully complete them. Individuals with multiple barriers to employment and training such as basic skills deficiency, school drop outs, recipients of cash welfare payment, offenders, individuals with disabilities, and/or homelessness will be afforded opportunities for participation in training activities designed to improve participation in the workforce and lead to higher earnings for individuals who successfully complete them. Training activities for persons in these groups will be provided in the context of the state's vision to provide universal access for all customers.

- **Policies limiting ITAs (e.g. dollar amount or duration)..**

Through the local plan approval process, OTR will assist LWIBs in setting policies limiting the amount/duration of ITAs based on the availability of funds and projected needs of the target populations.

ii. Describe how consultation with local boards and local chief elected officials occurred.

The state involved the LWIB and chief elected local officials from the beginning of the development of these policies. Boards, board staff, and elected officials were invited to participate in the development, review, and change of policies. In the case of policies developed prior to the appointment of locals boards, the state, immediately upon such appointment, sent the policy to the boards for their review and comment. Comments were then considered before the policy was finalized.

iii. Are there any state policies or requirements that would act as an obstacle to developing a successful statewide workforce investment system?

Some of the identified barriers to a successful statewide workforce investment system in Kentucky include the following:

Based upon many of the lessons learned from the federal one-stop initiative, facilities management is one of the most significant barriers. Lengthy, bureaucratic, confusing, and state-controlled facilities management protocol has a direct effect upon the selection of potential sites for one-stop centers. Additional obstacles include prescriptive requirements for office design, which do not allow for local input, and the length of time to complete the required bid process.

Recent state legislative changes now require certain agreements to be reviewed by the Legislative Research Commission. This adds to a process which already contains extensive signatory and oversight requirements.

Information technology issues have often constrained the implementation of new law. In recent years, however, Kentucky has addressed such concerns through the development of a framework, *The Strategic Information Technology Plan*, and a set of strategies for the utilization and management of information technology. The plan is part of an overall effort in conjunction with the EMPOWER Kentucky project to enhance the use and management of information technology resources.

The Commonwealth has also adopted information technology architecture and standards with an enterprise perspective. These are necessary to ensure the compatibility of the current information technology projects with future initiatives. The architecture and standards provide a blueprint for the development of information technology applications and a framework for the development of new applications. The architecture includes models for data and applications along with the technical environment for hardware, software, and networks. A Commonwealth Information Technology Enterprise Architecture and Standards Committee has been created for the purpose of defining the architectural direction, maintaining the standards, and recommending revisions or new standards.

Prior to such architecture and standards being developed, agencies have been burdened with an inability to communicate among existing state mainframe systems, incompatibility of software, no framework for the development of new applications, and delays in the implementation of new information technology initiatives because of such an environment.

Incompatible personnel management systems exist. With the envisioned blending of different agency staffs in one-stop centers, the need for functional and formal management processes will arise. The ability of operators to oversee partner staff from multiple organizations is critical. Further, timesheet coding contradicts the universal service provision. There are inconsistencies in various organization's approaches to flex and compensatory time. In addition, traditional state government operating hours are inflexible and often do not reflect the customer's needs.

The need to share customer information across program boundaries is also an important component for the new one-stop delivery system. While much progress has been made in designing inter-agency agreements, barriers continue to exist with regard to data sharing and data matching. In addition, efforts need to be focused on resolving information-sharing issues associated with non-state agencies and private, for-profit entities.

Eligibility issues and programmatic restrictions will have a significant impact upon the delivery and funding of universal services. For instance, certain programs can only provide services to a narrow constituency (e.g., veterans).

In some instances, local level state employees have limited policy making abilities. This could have a delaying or debilitating effect on local design and planning accomplishments.

2. Services: Describe the current status of one-stop implementation in the state, including:

a. Actions taken to develop a one-stop integrated service delivery system statewide

More than four years of effort have gone into Kentucky's transition to the existing One-Stop Career Center Systems. Many of the strategies used in this process, coupled with the best practices/lessons learned, will be invaluable in evolving Kentucky's current one-stop systems toward the Act. Requiring local design and flexibility; local one-stop composition of 51 percent business, industry, and labor; local community planning; the

concept of a one-stop operator; and redesigned boundary areas that delivered new partners to the table were components of Kentucky's plan.

The design of the One-Stop Career Center System was built upon four major themes: customer-driven, quality, local flexibility, and systemic change. A *customer-driven* system was designed with the input derived from focus groups of business and industry, education and training providers, and human resource and public agencies. *Quality* was defined as the need to exceed customer expectations at each center and throughout the system. Maximum *local flexibility* for stakeholders to develop their design and implementation strategies within the context of the communities was essential in a state with widely varying regional characteristics and needs. *Systemic change* has meant developing a network of centers in order to construct a successful workforce development system. A more highly skilled workforce, a commitment to lifelong learning, and the ability of workers and employers to more readily obtain information and marshal the resources required to make employment-related choices, essential to a prosperous economic future, were encouraged throughout the system.

Those themes have been implemented through four guiding principles: *universality*, *customer choice*, *integration*, and *performance measurement*. *Universality* recognized the importance of serving both individuals and employers. Delivery through the local labor market model brought services into a comprehensive, full-service center based in the local region. Universality further suggests availability through convenient physical locations, 24-hour access to information, and the active participation of agencies and organizations that assist frequently under-served groups. Increased access was accomplished by co-locating the Department for the Blind and the Department of Vocational Rehabilitation, making information available in multiple formats in many community locations and extending hours of operation to the evening and weekend. Universality also has meant making facilities user-friendly for all groups by ensuring the availability of technology, equipment, and trained staff and encouraging the provision of fully accessible computers in comprehensive centers.

Customer choice became reality when options enabled individuals to informed career decisions through the use of common intake procedures, shared information among one-stop center partners, and easy access to labor market information. Customer choice has been realized through creative community access points, full county or labor market area coverage, and emerging technologies combined with full-service centers to provide options to access services.

Integration remains the single greatest barriers to implement the vision. Barriers such as a lack of federal guidance on information sharing, cost allocation, and confidentiality make it difficult for agencies to coordinate their efforts despite training programs, capacity-building activities, and other state efforts directed towards removing them. Kentucky may adjust its federal cost allocation plan to accommodate the universal service provision.

System-wide, multi-agency performance standards were developed via the One-Stop Career Center System initiative. Currently, no technology platform exists that allows the capture of this information. In light of the new requirements of the Act, all efforts are being directed towards this more comprehensive system of accountability.

Kentucky's design of its one-stop centers encouraged a three-tier level of service availability. For the full-service comprehensive centers, program information and eligibility determination for the six federally mandated core services as well as the three additional core partners (vocational rehabilitation, Carl Perkins-funded activities, and adult education) are required. The next level of service delivery is a satellite site, where all services are not available, but some core partners and personalized assistance is present. Finally, the concept of an information site evolved in order to extend information points and provide statewide access. These range from personal computers linked to the network to brochures and literature found at resource locations. The following basic services are available in one-stop centers:

- labor market information and career options;
- education and training program information;
- program eligibility and financial aid options;
- basic assessment of customer skills and interests;
- career development planning;
- case management services;
- identification of job openings/labor exchange;
- job search assistance;
- unemployment insurance enrollment;
- customized services to selected groups such as veterans, persons with disabilities, and older workers;
- connection to worker profiling;
- connection to school-to-work transitions; and
- referral to registered apprenticeship programs.

Services to employers include information about the labor market, education and training providers, and government-funded training incentives; recruitment assistance; and rapid response to down-sizing.

The information technology infrastructure and environment also presents an opportunistic framework for future one-stop implementation. The Kentucky Information Highway (KIH), a public/private partnership, is a statewide integrated network system. The KIH provides a high capacity wide area network for voice, data, and video communications. This major state initiative puts Kentucky in the forefront in developing its telecommunications infrastructure and breaking the barriers traditionally imposed by geography, demographics, or economics.

The vision of one-stop centers has been implemented and extended through a variety of activities. At the state level, the federally mandated partnership was expanded to include agencies providing vocational rehabilitation services, adult education and

literacy programs, and Carl Perkins-funded activities. Core programs and services to be offered by the one-stop system were established at the state level, but local areas had the flexibility to decide the number and location of the centers. When implementation efforts and connectivity are completed, there would be more than 40 comprehensive centers and 200 satellite/information points statewide. Active local involvement by entities beyond those formally required signifies the importance of one-stop centers. These entities include community centers, county courthouses, family resource centers, Job Corps, KCTCS institutions, libraries, social insurance, Urban Leagues, and youth service centers. The successful placement of resources throughout local communities, some where services have previously been unavailable, will allow these 'gateways' to link customers with the full resources of the one-stop system.

b.. The degree of existing collaboration for WIA Title I, Wagner-Peyser Act, and other required and optional partners.

Local flexibility permits differing levels of collaboration from one community to the next. Unique partnerships, contrasting levels of involvement, and variable labor market or community resources affect the type of collaboration at the local level. To preserve local flexibility, only broad guidance is provided from the state level on the selection of core partner representation. In existing local one-stop systems, there is a basic level of stakeholder collaboration that often mirrors the level of service availability in the actual center. In some geographical areas, DES personnel are strong local leaders who provide all Wagner-Peyser, unemployment insurance, migrant and seasonal, Native American, and veterans' services on a full-time basis in comprehensive centers and satellite sites throughout the state.

Beyond the consistent presence of these agencies (vocational rehabilitation, blind, and employment services), the level and degree of collaboration varies greatly. In many areas, current providers of services to adult, youth, and dislocated workers are committed partners; in other areas, they are only nominally involved in the existing structure. Even though adult education providers will be required partners, the current level of collaboration varies with the most notable participation in the form of full-service learning labs and integral involvement in the local planning process.

Postsecondary education institutions have been involved to a lesser extent across the state, but two community colleges have played key leadership roles in the evolution of the local one-stop vision and implementation. Organizations implementing the Older Americans Act, despite their service to large geographical areas, are active participants in their local council and planning activities, as well as assisting with the staffing of one-stop centers.

Wagner-Peyser funds for the operation of employment service programs in Kentucky are directed through DES. These funds are used to provide free access to various labor market programs to the citizens of the Commonwealth. DES operates 28 full-service field offices throughout the state, offering both labor exchange and employability development as standard services to job seekers. DES also administers the Unemployment Insurance (UI) program.

Current mandates for DES are services to veterans and UI claimants. In addition, DES will ensure equity of access for all customers including individuals with disabilities, older workers, minorities, economically disadvantaged persons, youth, welfare recipients, dislocated workers, and other groups with special needs.

Through the One-Stop Career Center System operating in each area, DES will provide the following standard services to:

Job seekers - intake, referral and placement, job development, job information service, electronic labor exchange, assistive technology, employment counseling, vocational assessment, employability development, referral to supportive services and training, and job search workshops. Presently, DES provides these services in existing One-Stop Career Centers throughout the state and through its network for local office and out-stationed personnel. These services are also delivered on site to assist job seekers at the physical location of businesses. Job seekers are also served through America's Job Bank. Applicants may access DES job order information through the Internet as well as post their resume for employers to view.

Services to employers – job order taking, selection and referral, recruitment, labor market information, and affirmative action. Employers who request DES services on-site are provided with staff assistance to take applications and screen for qualifications. Employers are also provided with information on America's Job Bank in order to view applicant resumes and compare their job information with others to ensure that their positions are competitive.

Services to Unemployment Insurance Claimants – UI work test, worker profiling, and reemployment services. Through the one-stop system and its network of local offices, DES provides the basic services to claimants listed above. Off site, DES provides mass claims taking at the workplace if requested by the employer. In addition DES offers the option of claimants using a voice response unit to claim weeks of unemployment, report wages, and notify the department of their return to work. The Commonwealth is currently developing Kentucky's Electronic Workplace for the Employment Service (KEWES), a fully automated UI system.

Special Programs – unemployment tax credit program, trade adjustment assistance, North America free trade assistance program, work opportunity tax credit, welfare-to-work tax credit programs, and agricultural services.

DES is committed to providing employment and training services to veterans in accordance with Title 38, chapters 41 and 42, U. S. Code, and pursuant to regulations with priority to be given to disabled veterans and veterans of the Vietnam era. Levels of service are targeted to meet or exceed the performance standards established by the Assistant Secretary for Veterans' Employment and Training (ASVET). Currently, these consist of 14 performance standards in five basic categories: placement/obtained employment, placement in jobs listed by federal contractors, counseling, placement in training, and provided some service.

Local Veterans' Employment Representatives (LVERs) will continue to be assigned in full-functioning local DES offices according to the criteria and provisions of Veterans' Regulations (20 CFR, Chapter IX, Subpart C, Paragraph 1001.123).

DES will continue to provide support services for veterans as required under the Disabled Veterans' Outreach Program (DVOP) as prescribed in Veterans, Regulations (20 CFR, Chapter IX, Subpart E, Paragraphs 1001.140, 1001.141 and 1001.142).

Services to veterans will be monitored on a continuing basis, and DES central office staff will provide on-going technical assistance to field office staff. DES staff will continue to work closely with the State Director of Veterans' Employment and Training Services to quickly identify and correct problems that may arise.

Any one-stop center housing Wagner-Peyser staff will provide veterans with priority employment and training services in accordance with federal law, U. S. Code Title 38, Chapters 41 and 42, and 20 CFR 1001.120(a)(b). DVOP/LVER positions shall be state employees and shall not supplant Wagner-Peyser staff in providing priority employment and training services. The full array of core services will be made available to veterans in the following order of priority: veterans with disabilities, Vietnam-era veterans, veterans, and other eligibles.

3. System Infrastructure

a. Local Workforce Investment Areas

i. Identify the state's designated local workforce investment areas, including those that were automatically designated and those receiving temporary designation.

The Workforce Investment Act of 1998 is the first wholesale reform of the nation's job training system in over 15 years. Its enactment provides unprecedented opportunity for major reforms that will result in a reinvigorated, integrated workforce investment system. To ensure a seamless and universal system that is performance based and customer-focused, the Governor, in conjunction with the Kentucky Workforce Investment Board (KWIB), has designated 11 local workforce investment areas that define zones for service delivery, rather than boundaries that confine available services. The areas were configured in 1982 as service delivery areas to oversee Job Training Partnership activity in Kentucky. The boundaries were drawn based on common geographic and economic factors. While full designation is being conferred to all 11 areas, eight of the local workforce investment areas meet the criteria for temporary designation in accordance with Sec.116(a)(3)(A); two local workforce investment areas with a population of less than 200,000 successfully completed the consultation and consideration requirements of Sec.116(a)(1)(ii) and thus were eligible for designation; and one local workforce investment area, being a rural concentrated employment program, qualified for automatic designation as specified in Sec.116(a)(2)(B) of the Act.

Uncertainty and vulnerability come with systemic change. Therefore, minimizing the disruption of the current system's geographic service areas enables local workforce investment areas to focus attention on the real opportunities for change such as policy development, desired outcomes, and service delivery. Prior to and through the state plan development process, numerous local officials, including county judge-executives, mayors, etc., requested that the current service delivery areas remain intact. This perspective is critical since local involvement and ownership are the foundation upon which the Act is built. It further underscores the strong local desire for an enhanced role in collaboration and implementation.

ii. Describe the state board's role, including all recommendations made on local designation requests.

The KWIB, pursuant to Section 116(a)(4), reviewed requests for designation as workforce investment areas from the 11 current service delivery areas. The board acknowledged the automatic designation of one rural concentrated employment program as a workforce investment area. After discussions with appropriate local elected officials and completion of the public comment process, the state board recommended to the Governor the remaining 10 service delivery areas also be designated as workforce investment areas.

iii. Describe the appeals process used by the state to hear appeals of local area designation.

A unit of general local government or grant recipient that requests, but is not granted designation as a local area under paragraph (2) or (3) of Section 116(a), may appeal to the KWIB.

The board may prescribe forms and applicable time frames. Appeals shall be conducted pursuant to the administrative hearing requirements in Chapter 13B of the Kentucky Revised Statutes.

A unit of general local government or grant recipient that is dissatisfied with the decision of the KWIB may request a review by the U.S. DOL Secretary pursuant to Section 116, paragraph (a) of the Act.

b. Regional Planning

i. Describe intrastate and interstate regions and corresponding performance measures.

The designation of local workforce investment areas is intended to provide parameters for the establishment of one-stop centers. These areas are not intended to prescribe the location for participants to access services. Additionally, coordination of performance measures across workforce investment areas is essential to assure that education and training providers will not be subject to differing standards. Through its review of local plans, the KWIB will assure compatibility of performance measures across local workforce investment areas.

Kentucky shares several metropolitan statistical areas with its seven border states. These communities create the potential for identifying interstate regions for which performance measures could be established. At the present time, none of Kentucky's border states are planning to implement WIA by July 1999. Therefore, the establishment of interstate performance measures will need to be deferred until the border states are prepared to address this issue.

ii. Purpose of such designations and activities to help improve performance.

Given the current WIA implementation status in the border states, specific activities to improve performance cannot be identified without the participation of those states. However, some local entities have begun preliminary discussions with their cross-state counterparts.

iii. For interstate regions, describe the roles of the respective Governors, SWIBs and LWIBs

Even though formal interstate regions have not yet been established, it is anticipated that the roles of Governors, state boards, and local boards will parallel the roles identified in this plan.

c. Selection of Service Providers for Individual Training Accounts.

i. Identify policies and procedures established for determining the initial eligibility of local level training providers, how performance information will be used to determine continued eligibility (including a grievance procedure for providers denied eligibility), and the agency responsible for carrying out these activities.

The procedure for selecting eligible providers is initiated through an application to the local WIB. All applications must include general provisions and assurances. The board must take action to approve or deny each application, and notify all applicants. When the LWIB denies an application, the notification to the applicant must include the reasons for denial.

The following categories of providers are initially eligible upon submission of an application to the LWIB:

- Institutions that receive Title IV funds (federal student financial aid) and provide a program that leads to a postsecondary diploma, associate degree, baccalaureate degree, or certificate; and
- Institutions carrying out registered apprenticeship programs as defined in KRS Chapter 343.

Other providers are identified as: 1) those that provides training through a program covered by the Act at the date of application for eligibility, or 2) those that do not provide training through a program covered by the Act at the date of application for eligibility. The following criteria apply to potential providers seeking initial eligibility provider status.

All applications must include the following information:

- demonstrated ability to provide training;
- faculty or instructional staff qualifications;
- course or service or curriculum description;
- credentials awarded;
- tuition and fee requirements;
- licensure by appropriate state agency, if applicable;
- accreditation by recognized agencies, if appropriate; and
- assurances and certifications required by federal law or the state.

Applications will be evaluated according to the following criteria:

- match between skills needed by employers and the education or training provided by the applicant;
- ability to provide educational and training programs needed in local areas;

- proven ability to provide the specified training, for example a community-based organization (CBO) or other agency;
- licensure pass rate, if appropriate;
- licensure by the appropriate state agency to operate, if applicable;
- accreditation by recognized agencies, if appropriate;
- performance and cost information, if applicable; and
- strong ties to economically disadvantaged community.

A provider that has previously participated in the workforce education and training system must provide performance and cost information as required by the program for which training was provided.

Criteria for continuing eligibility for training providers

When considering the continuing eligibility status of training providers, local boards must include consideration of the following:

- specific economic, geographic, and demographic factors from the local areas in which providers seeking eligibility are located; and
- the characteristics of the populations served by providers seeking eligibility, including the demonstrated difficulties in serving such populations, where applicable.

Satisfactory performance means meeting the locally negotiated performance levels.

Information to be submitted by training provider in order to continue eligibility:

The provider shall submit performance and cost information to be subsequently eligible to receive funds and remain an eligible provider. Program information includes program completion for individuals participating in the applicable program conducted by the provider; the percentage of all individuals participating in the applicable program who obtain unsubsidized employment; and the wages at placement in unsubsidized employment of all individuals participating in the applicable program.

The provider shall submit training services information for all participants who received assistance under training and employment activities to participate in the applicable program including: the percentage of participants who have completed the applicable program and who are placed in unsubsidized employment; the retention rates in unsubsidized employment of participants who have completed the applicable program, six months after the first day of employment; the wages received by participants six months after the first day of the employment; and, where appropriate, the rates of licensure or certification, attainment of academic degrees or equivalents, or attainment of other measures of skills of the graduates of the applicable program; and information on program costs (such as tuition and fees) for participants in the applicable program.

Procedures related to continued eligibility of training providers

A provider must submit an application to the local WIB. The LWIB must take action to continue or terminate eligibility of the applicant and provide notification of its decision. If eligibility of the training provider is terminated, the LWIB must include the reasons for denial in a denial notice forwarded by certified mail, return receipt requested.

Grievance Procedures

Local WIBs or the designated state agency may develop informal resolution procedures for disputes concerning eligible provider status.

Any provider of training services who alleges a violation of the Act, federal regulations, or the contract under which the provider is participating may appeal to the KWIB. The KWIB may prescribe forms and applicable timeframes. The appeal shall be conducted within 60 days. Appeals shall be conducted pursuant to the administrative hearing requirements in KRS Chapter 13B.

ii. Describe how the state solicited recommendations from local board and training service providers and interested members of the public, including representatives of business and labor organizations in the development of these policies and procedures.

Recommendations from LWIBs and training service providers were solicited through direct participation in the development of the state plan and through a series of public hearings as described in Section 1 of the plan.

iii. How will the state maintain the provider list?

The statewide provider list will be maintained in a centralized database by the Office of Training and ReEmployment. The provider list will be readily accessible to all customers of the workforce investment system through the workforce development web page and through one-stop centers.

iv. What performance information will be available at every one-stop center?

Every one-stop center will contain the statewide education and training provider list, including data related to the core indicators of performance. This information will be available via the Internet and the *Kentucky Resource Directory*. In addition to the essential information that will assist customers in making informed decisions (e.g. enrollment numbers, minority participation, etc.), the state will encourage providers to include other requisite performance information.

v. Describe the state's current capacity to provide customers access to the statewide list of eligible training providers and their performance information.

The state currently does not maintain a statewide list of eligible training providers and their performance information.

vi. Describe the process for removing providers from the list.

Failure to meet the annual performance measures will be justification to remove a service provider from the list. If removed from the list, a service provider must wait one year from the date of ineligibility to reapply. The service provider will be notified by termination letter and may appeal through the grievance procedure. The service provider will continue to be eligible during the appeal process. Under circumstances in which a participant is at risk of imminent danger, there should be procedures to allow for an expedited post-deprivation grievance appeal hearing.

The provider will be removed from the eligible provider list when the provider intentionally supplies inaccurate performance information. The KWIB shall remove the provider from eligibility for a period of not less than two years. Local WIBs may remove an eligible provider from the list for a period longer than two years in

accordance with procedures adopted by the KWIB. The Office of Training and ReEmployment will be responsible for removing ineligible providers from the provider list.

The local certifying entity shall be responsible for notifying customers regarding the ineligible status of the provider.

d. What is state's current capacity to deliver high quality employment statistics information to customers – both job seekers and employers – of the one-stop system?

Kentucky, through the Employment Statistics System, delivers employment statistics to customers such as employers and job seekers using both publications and the Internet. Publications that assist these users include the *Kentucky Occupational Outlook to 2005*, *Career Outlook and Job Opportunities*, *Kentucky Annual Labor Market Planning Information*, and Kentucky Occupational Wage Data. The Kentucky Occupational Information Coordinating Council publishes the following additional sources of employment statistics: *Postsecondary Educational Opportunities*, *Kentucky Career Guide*, *Licensed Occupations* and the *Kentucky Supply-Demand Report*.

e. Describe how the work test and feedback requirements (under the Wagner-Peyser Act) for all UI claimants are met? How is information provided to UI agency regarding claimant registration, claimant job referrals, and the results of referrals?

DES stresses the importance of placing individuals receiving UI benefits. All claimants who are unemployed or who are otherwise required by law to register for employment with the public employment service are offered the full array of services available to them. Utilizing cross training, staff can combine intake of claimants and provide employment-related services.

f. Describe how the Wagner-Peyser Act staff participate in the conduct of the Eligibility Review Program reviews. Describe the follow-up that occurs to ensure that UI eligibility issues are resolved.

Wagner-Peyser staff, who are cross-trained in UI programs, participate in conducting the eligibility review interviews of claimants who have received benefits for 10 initial weeks. This process is performed in the DES local offices and will be part of the one-stop centers with the implementation of the Act. Staff conducting the interviews ensure that adherence to both state and federal guidelines is enforced.

The follow-up process ensuring the resolution of all eligibility issues involves a fact-finding interview by an examiner and results in a decision being rendered based upon law and regulation. This decision is issued by the local DES office and is subject to appeal to two other administrative levels before entering the court system.

C. Assessment of Strengths and Improvement Opportunities

1. In sum, how closely aligned is current system to vision? Assess your current systems ability to meet the customer and economic needs listing key strengths and weaknesses. Describe any opportunities or challenges to achieving your vision, including any

economic development, legislative, or reorganization initiatives anticipated that could impact on the performance and effectiveness of your state's workforce investment system?

As stated earlier, Kentucky will create a unified workforce investment framework incorporating the principles underlying the Commonwealth's 1997 Postsecondary Education Reform. The new workforce system will be *universal, seamless, customer-focused and performance based* and will respond to the needs of all Kentuckians. By addressing the Commonwealth's changing demographics and its educational/training, technological, and economic needs, the ultimate measure of success of the reformed workforce investment system will be a higher standard of living for all Kentuckians. In assessing the current system's ability to meet the vision, the following strengths have been identified.

Changes in the organizational structure of state government and in public education from pre-school through postsecondary education during the past 10 years position the Commonwealth to embark on new initiatives to improve the skills of the workforce. Creation of the Cabinet for Workforce Development in 1990 brought adult education, secondary vocational training, and employment programs, and programs serving persons with disabilities into one executive branch cabinet of state government.

Kentucky has also initiated a series of education reform efforts beginning with the *Kentucky Education Reform Act*, enacted in 1990. This act requires accountability by the public schools measured, in part, by the successful transition of secondary students to postsecondary education, employment, or the military. The *Kentucky Postsecondary Education Improvement Act of 1997* creates a vision of a seamless, integrated system of postsecondary education accessed through multiple traditional and non-traditional delivery systems. The act also established the Kentucky Community and Technical College System (KCTCS) by organizing postsecondary technical schools and community colleges under one governing board. This action places in one organization primary responsibility for providing education and training programs of two years or less and preparation of the workforce to meet the needs of new and existing industries.

The *Task Force on Adult Education* was created in 1998 to conduct a thorough examination of Kentucky's adult education system. Chaired by the Governor, its purpose is to develop recommendations and an implementation plan for raising the literacy level and educational attainment of Kentucky's adults who have not graduated from high school or who have poor literacy skills. The *Taskforce for Pre-School Education* originated from a recognition of the relationship between the development in a child's early years, the requisite critical efforts of early involvement/intervention, and his/her ultimate educational success.

Other systemic initiatives have created an environment of change in the Commonwealth. Technological advances that enable communication, access to information and services, and delivery of instruction are valuable resources to overcome longstanding limitations brought about by geographical and cultural barriers. Efforts to improve communication increase with EMPOWER Kentucky as the mechanism to provide access to state data bases for partners internal and external to state government. Kentucky Educational Television serves as the public's statewide access to information and instruction. Instruction through distance education

technology is provided by the Kentucky Telelinking Network (KTLN) and Commonwealth Virtual University (CVU). KTLN provides the infrastructure for the delivery of interactive television classrooms and video-conferencing capability. This fiber-optic network links all universities, community colleges, public schools, and libraries in the state. The CVU, created as part of the *Kentucky Postsecondary Education Improvement Act of 1997*, is a critical element in creating a postsecondary education system that is accessible, efficient, and responsive to the needs of Kentucky's citizens and economic stake holders. It will be a student-centered, technology-based system for coordinating the delivery of postsecondary education that meets the needs of citizens and employers across the Commonwealth. The CVU will upgrade workforce skills and target the needs of employers and employees in business, industry, and government.

Unified planning among the service providers of the CWD indicates that partners in the workforce investment system have already taken steps toward the goals envisioned by the Act. As an example, when fully implemented the Simplified Access initiative will allow customers a single point of access to training and employment services. An interagency agreement among the Cabinets for Families and Children, Health Services, and Workforce Development allows the sharing of information. Customers may sign a revocable release that permits relevant record sharing and use in order to access potential services, determine program eligibility, and permits subsequent career plan development by providers and case managers. Other features of Simplified Access are common intake for customers, information sharing among programs, client tracking, and a shared resource directory.

Designation of Kentucky as one of the first 16 states to be awarded a one-stop implementation grant prepared the state for the concepts that support the Workforce Investment Act. Implementation of one-stop established a statewide technology infrastructure and, in each local area, fostered a local planning process among one-stop partners and their communities, introduced the concept of universal customer as embodied in assistive technology and disability awareness training, and established resource centers in each one-stop center. Local partner efforts began the move towards streamlining service delivery and reducing the duplication through comprehensive centers and cross training. The upgrade of staff capabilities and the concept of multiple, creative access points to services will also serve as a strong platform upon which WIA can build.

The Kentucky Long-Term Policy Research Center was created by the General Assembly in 1992 to bring a broader context to the decision-making process. The Center's mission is to illuminate the long-range implications of current policies, emerging issues, and trends influencing the Commonwealth's future. The Center has a responsibility to identify and study issues of long-term significance to the Commonwealth and to serve as a mechanism for coordinating resources and groups to focus on long-range planning.

Since 1931, Kentucky has served as a State Apprenticeship Council state. The Kentucky Labor Cabinet, Employment Standards, Apprenticeship and Training Division currently has some 300 registered apprenticeship programs with some 2,500 apprentices, with some 400 apprentices complete these programs. Annually, the division registers some 800 apprentices, while some 400 apprentices completing these programs. The expectation is that the number of programs and apprentices will grow due to the Act. The Cabinet is looking to expand programs in the

areas of early childhood development worker, daycare provider and other non-traditional programs.

The Economic Development Partnership Act of 1992 enacted changes to Kentucky's approach to economic development. These policies are now developed and approved by a partnership chaired by the Governor and comprised of representatives from business, industry, economic development organizations, labor, natural resources, and tourism. The Secretary of the Cabinet for Economic Development now serves at the pleasure of this partnership, allowing programs and initiatives to transcend politics.

The Cabinet for Economic Development's Network initiative helps companies form alliances with other companies in order to become more competitive. The Kentucky Economic Expansion Program, a partnership between South Central Bell, the Kentucky Cabinet for Economic Development, and the University of Kentucky, work with communities to ensure retention of their existing industries.

Since 1984, the Bluegrass State Skills Corporation (BSSC) assists individual companies and groups of companies through training consortia to facilitate customized industry specific training programs for Kentucky's existing, expanding, and new business and industries. To date, the BSSC has funded 21 training consortia resulting in thousands of Kentuckians trained in a more cost efficient manner. In 1998, Kentucky's General Assembly authorized the BSSC to implement the Skills Training Investment Credit Act which allows existing industries to recoup up to 50 percent of their training expenses through tax credits.

Although significant progress has been made in addressing some issues, challenges remain. Workforce preparation is made more difficult by poverty, low workforce participation, and low educational achievement. That poverty is a major policy issue in Kentucky cannot be disputed. Historically, Kentucky's poverty rate has been substantially above that of the nation. The poverty rate in 97 out of Kentucky's 120 counties is higher than the U.S. average. A more troubling fact is that 25 percent of all Kentucky children and 28 percent of children under five are living in poverty according to the most recent census. Research indicates that children raised in poverty are at-risk for a variety of long-term developmental problems and are more likely to raise their own children in poverty. Kentucky's per capita income was \$20,599 - 81.4 per cent of the national average which is \$25,298. (U.S. Department of Commerce, Bureau of Economic Analysis.)

Like many states, Kentucky must contend with a geography as diverse as its economies. Ranging from the realities of rural communities to the unique challenges of urban cities, this dichotomy requires that any solution have a flexible application. For instance, the highest poverty rates are concentrated in the eastern portion of the state where barriers such as mountains, lack of infrastructure, and recent economic upheavals are significant factors. However, while most people associate poverty in the Commonwealth with Eastern Kentucky, the greatest numbers of individuals living in poverty are in the urban areas of northern and central Kentucky.

Participation in the workforce is often interpreted in terms of published unemployment rates. While Kentucky currently enjoys low unemployment rates in the majority of its counties, the

stark reality is that fewer than 57 percent of Kentucky's total working age population actively participates in the workforce as compared to the national average of 67 percent. This is even more disturbing when viewed in the context of the December, 1994 study by the Kentucky Legislative Research Commission that found the work behavior of individuals as the most significant factor in determining if a family lives in poverty.

In an economy that increasingly demands high levels of information and the ability to manipulate that information, those who are better educated and more literate will fare better than those who are less so. Unfortunately, Kentucky's working age population remains undereducated according to a number of measures. Kentucky ranks last in the nation with adults who have less than a high school diploma. Thirty-six percent of the adult population has less than a high school credential – either a high school diploma or GED certificate. Perhaps of greater significance, according to the 1997 Kentucky Adult Literacy Survey, 40 percent of the state's adult population has modest, minimal, or no functional literacy skills and, therefore, lacks the ability to fully participate in an increasingly technological workforce. In terms of higher education indicators, Kentucky trails the nation in many respects. For example, only 51 percent of the state's high school graduates enter a postsecondary institution compared to the national average of 65 percent. Additionally, 13 percent of Kentucky's population has a bachelors degree as compared to 20 percent of the nation. Kentucky is near the bottom in completion rates of those who enter postsecondary institutions (see **Appendix G.**).

Research indicates that the principal difference between economic opportunity and standard of living is the level of educational attainment. Without increased educational achievement, Kentucky citizens will miss the opportunity to improve their economic well-being. Low educational attainment accounts for 57 percent of the difference in per capita income between Kentucky and all other states (see **Appendix H. and I.**).

In addition to these long-standing systemic weaknesses, other issues inhibit the Commonwealth's ability to fulfill its vision.

- *Services to Customers.* Both state and federal guidelines dealing with confidentiality of information make coordination difficult. Multiple agreements are required for staff to access information needed for assessment, case management, and job placement. Funding streams and eligibility issues create unnecessary boundaries and inhibit staff efforts to provide universal and seamless service.

Fitting individuals with disabilities into Kentucky's economic/workforce development matrix is a must. Government has traditionally provided a subsidy for people with disabilities without integrating them into the workforce system. This overlooked or "hidden workforce," while presenting significant challenges, represents a valuable and virtually untapped human capital resource.

- *Economic and Community Development.* Though the geographic location of Kentucky in relation to the other states is an asset, the geographic diversity presents an economic development challenge. While the urban areas of Louisville, Lexington, and Northern Kentucky continue to flourish, some sections of eastern and western Kentucky have had more difficulty competing for business and industry prospects because of the lack of highly skilled workers, large industrial sites, or state-of-the-art infrastructure. Historically, Kentucky has relied on low technology industries such as mining and the garment sector. With the decline of these two industries, Kentucky must now shift to high technology and

emerging industries as other states did years ago.

Despite community partnership programs to assess problems and provide the technical assistance resources to solve them, community development is not expanding consistent with economic development. Services and infrastructure such as housing, transportation and child care have not kept pace with economic development activities.

- *Private Sector Perspective.*

Although a number of Kentucky businesses provide for the education and training of their workforce, system-wide efforts are inconsistent. Also, businesses often invest education and training funds in their managerial level personnel. The Kentucky Long-Term Policy Research Center reports that “employers make minimal commitments to front-line workers and to the development of basic skills.” Government programs have significant resources to invest in training programs and private sector funds also represent a significant training resource. A coordinated effort would leverage funds from both sources to create more training opportunities.

- *Technology.* Though funding for technology has been authorized in the biennial budget, the actual purchase is complicated by the array of technology available. The lack of support services for that technology further complicates purchases. In addition, the rapid advancement of technology complicates choices for government administrators and causes a reluctance to make technology-related decisions.

- *Demographics.* Kentucky is a rural state with an aging population and a slower growth rate expectation than the nation as a whole. Out-migration will need to be slowed or reversed if the available workforce is to meet business and industry needs.

In order to realize the critical goal of developing the full potential of the workforce, Kentucky must fashion a comprehensive strategy for workforce development, one that addresses the unique needs of the Commonwealth. Ultimately, the capacity of a state’s workforce and the quality of the human capital it brings to the arena of world trade will become the principal determinant of profitability and prosperity.

2. What are your state’s priorities in moving your current system toward your vision?

Kentucky has identified six priorities to begin the process of moving the current system toward the vision of its workforce investment system. This list is presented in no particular order and could be expanded to reflect emerging issues and trends. The first is to serve the greatest number of people in the most effective manner. Currently, only a very small proportion of the eligible population is served. Strategies for increasing the number of people served by the workforce investment system include:

- marketing services to target populations and prospective customers;
- maximizing the potential for those who have not achieved their desired levels of workforce training/education or wages;
- ensuring access to workforce training services for all citizens;
- raising awareness of the need for workforce training;
- providing additional resources to achieve strategies;

- utilizing existing resources more efficiently;
- establishing more access points for services; and
- involving employers in discussing the optimum workforce training system.

Technology is a critical component to reach the goal of serving more of the population. This can be achieved through increased:

- connection among services;
- collection of data to measure performance;
- provision of equal opportunities for workforce training services for both rural and urban dwellers, as well as persons with disabilities;
- training for providers of services;
- assistance in using the self-service component of the one-stop center;
- access to services designed so persons at all levels of computer literacy can locate information;
- sharing of customer data among one-stop providers; and
- development of an accountability system that maximizes existing data collection resources.

Increasing participation in the labor force is the second priority. At the present time, only 57 percent of Kentucky's population participates in the workforce. Expanding childcare options, improving access to transportation, and increasing opportunities for higher wage jobs are critical issues to be addressed. Additional strategies to raise Kentucky's workforce participation rate include:

- heightening the awareness of the benefits of wage earning;
- communicating employers' expectations for appropriate skill levels and resulting higher wages;
- promoting the "Education Pays" campaign;
- improving the alignment of job creation efforts and educational achievement;
- expanding entrepreneurial training and opportunities which, in turn, will create jobs;
- developing incentives to cultivate a stronger work ethic; and
- encouraging, supporting, and participating in community leadership programs and activities.

Priority three is to develop and expand the concept of customer choice. It is vital that services be available beyond the traditional nine-to-five work day and in a variety of formats which are targeted to diverse skill levels. The workforce investment system should provide the following access options: both personal and automated services, multiple access points, and eligible providers that may be located outside the local workforce investment area. To provide customers with the information to make informed decisions when choosing workforce training, standardized consumer information and common definitions and data elements must be functional.

The fourth priority will address bureaucratic processes that impede progress toward the vision and goal of the workforce investment system. The multi-agency coordination necessary for a

seamless workforce training delivery system requires that existing barriers be overcome. The cumbersome and prohibitive processes identified below need to be corrected:

- remove or amend statutes concerning personnel, confidentiality, facility usage and funding stream barriers;
- streamline the bureaucracy and bureaucratic procedures to improve service delivery;
- involve decision- and policymakers who have the authority to facilitate changes;
- reform labor market information collection and reporting;
- integrate relevant information from multiple sources;
- implement recommendations for government entities as identified by the KWIB and directed by the Governor and legislative members of the board.

A process to ensure that corrective action is taken begins with the KWIB and is communicated by the Governor and legislative members of the board for subsequent implementation by government entities.

The next priority is to increase education and job skill levels in the Commonwealth. Numerous statewide educational initiatives contain many components which, when fully implemented, will dramatically improve the quality of education in the state. While others may emerge, these critical initiatives should be addressed:

- raising adults' basic skills competencies;
- integrating adult basic education and literacy with job skills training;
- establishing the Commonwealth Virtual University;
- improving the ability of students to transfer credits among institutions;
- promoting the value of a technical education;
- establishing prominence in research and development at the University of Kentucky and University of Louisville;
- increasing economic development activities associated with research successes and attraction of the nation's best professors;
- capitalizing on the workforce development capability of community and technical colleges; and
- making primary and secondary education more relevant to the workplace through linkages with the private sector.

The final priority is the need to train and equip staff to serve one-stop customers. The system will be customer-focused and provide assistance through highly trained staff. Training on some topics will be made available on a regular, recurring basis while other training will be provided as needed. Training will be required in the following areas:

- technology - software, hardware, and system administration;
- methods to determine the level of self service needed by patrons;
- customer service;
- multi-program cross training;
- using performance information;
- working with and serving special populations, including disability awareness;
- team building;
- customizing services to meet local needs; and
- new staff orientation program.

IV. STRATEGIES FOR IMPROVEMENT

A. Leadership. How will you overcome challenges to align your current system with your vision? How will the State implement WIA's key principles of local flexibility and a strong role for local Boards and for businesses?

- 1. Describe the steps the State will take to improve operational collaboration of the workforce investment activities and other related activities and programs outlined in Section 112 (b)(8)(A), at both the state and local level (e.g. joint activities, memoranda of understanding, planned mergers, coordinated policies, etc.). How will the State Board and Agencies eliminate any existing State-level barriers to coordination?**

Kentucky will more effectively meet the needs of the workforce with a system that is universal, seamless, customer-focused, and performance based. Strategies to transform the current system will include outreach and marketing to customers, staff development, cross training, partnerships with public and private entities that serve target groups, specific outcome goals for customers served, and placement achievements. Success in these strategies will be measured by increasing participation, upgrading skills, and achieving customer outcomes. Participants will be encouraged to pursue their career goals through all levels of educational programs.

The Commonwealth is committed to the following: utilizing a statewide network of one-stop centers, state-of-the-art technology, flexibility in local design, system-wide performance measures, and information sharing.

Kentucky began its comprehensive planning process to reengineer its workforce system upon enactment of the Act. The Governor designated the Cabinet for Workforce Development as the lead agency to coordinate the state-wide planning and implementation of the Act.

Re-engineering the workforce development system will be coordinated with the re-organization efforts already underway for social and health services. It will result in a seamless, unified approach to services for customers.

A policy group was established that contained representatives from the Governor's Office; Cabinets for Workforce Development, Families and Children, and Economic Development; Kentucky Labor Cabinet; Department for Local Government; Council on Postsecondary Education; and the Kentucky Community and Technical College System. This entity oversaw the activities of several targeted workgroups, that included strategic planning, one-stop partners, financial, technology, accountability and youth services committees. These committees were comprised of diverse membership from government, both state and local, and the private sector.

The particular organizations that were involved in the planning process included: Department for Employment Services, Department of Vocational Rehabilitation, Department for the Blind, Department for Adult Education and Literacy, Department for Technical Education, Office of Training and ReEmployment, Kentucky Community and Technical College System, Cabinet for Families and Children, Office of Aging Services, service delivery areas, Area Development Districts, Cabinet for Economic Development (Division of Research and Bluegrass State Skills Corporation), Kentucky's One-Stop, Kentucky Labor Cabinet, Department for Local

Government, Governor's Office for Policy and Management, Kentucky Commission on Community Service and Volunteerism, Council on Postsecondary Education, and the Simplified Access Team.

Broad, extensive and multi-level planning will be critical to not only the initial plan, but on-going modifications. The KWIB will ensure coordination through this planning process, involving LWIBs and chief local elected officials. The KWIB will ensure that programs are coordinated at the state level and will serve as an advisory body to local areas on the same issues.

Communication is critical. Sharing information will enhance local achievements and ensure the state's success with the Act. Technical assistance, regularly scheduled meetings, local quarterly reporting, as well as creative sources for communication such as video-conferencing and the Internet, will be adapted to keep the lines open.

A specific example of how the state is striving to improve coordination is the Simplified Access initiative which looks at specific business processes and clients common to the CWD, CFC and CHS and is proposing a process to ensure basic information is collected once for each individual and shared by other partners.

Recognition of the Act's underlying premise that the state has greater flexibility to achieve its provisions requires that organizational structures must be reorganized. At the state level, this reorganization will require legislative changes to relieve the burden of highly prescriptive statutory requirements. In conjunction, state and local entities should also be expected to demonstrate a shift in business practices to implement the cross-organizational collaboration envisioned in the Act.

2. Describe how the State will assist local areas in the evolution of existing local one-stop delivery systems. Include any statewide requirements for one-stop systems, how the State will help local areas identify areas need improvement, how technical assistance will be provided, and the availability of state funding for one-stop development. Be sure to address any system weaknesses identified earlier in the plan. Include any state level activities that will assist local areas in coordinating programs.

More than four years of effort have gone into Kentucky's transition to the existing One-Stop Career Center systems. Liberal and intensive technical assistance by a multi-agency team was critical in the successful implementation of 22 unique and diverse systems. Many of the strategies used in this process, coupled with the best practices/lessons learned, will be invaluable in evolving Kentucky's current one-stop systems toward the Act.

Many aspects of the Act are similar to the one-stop initiative. The guiding principles of universality, customer choice, integration and performance measures are the foundations of both. The concept of a local system is greater than mere stand-alone centers. A monitoring process to review system-wide adherence to the approved local plan was established. Standardized and targeted training was offered statewide on new skills and system enhancement to expand staff capabilities.

There are inconsistencies in the two as well. The new language that expands the required partners provides the mandate that the current grant did not carry. New provisions include the concepts of an operator that acts as a liaison between the LWIB and local providers,

and individual training accounts. These concepts will require the most intensive assistance and education.

However, a concern exists that the current one-stop system must be abolished to make way for the new agenda. In fact, the Act discusses single comprehensive centers in terms of the minimum requirement for each area while encouraging multiple access points. If an existing One-Stop comprehensive center is not selected to continue in that capacity, it could remain a viable service point for customers.

State general funds are currently applied toward one-stop costs through state agency participation in the initiative. This includes administrative, equipment, operating, and personnel costs. Direct state fund appropriations will not be used to further develop the current one-stop system.

Technical assistance will be provided by the Office of Training and ReEmployment (OTR) using a team comprised of the required partners. This assistance will be on an as-needed basis. Special concerns that arise via the KWIB can be researched and explored through this body. The coordination of this activity should be orchestrated through OTR for the Act.

Needs assessment is an important mechanism to determine the level and type of technical assistance. A statewide survey will be developed and administered to WIA partners. Upon evaluation, strategic intervention will be applied via technical assistance and capacity building opportunities.

Innovative and demonstration grants may be offered by the state to encourage peer modeling and identification of best practices. These ideas will be shared with local areas, which will be encouraged to work together.

A series of statewide forums may be conducted to educate partners, businesses and communities on the Act. The feedback from these forums will be used to structure on-going assistance and information. Tools such as web sites, newsletters and video-conferences could be employed to foster the one-stop system.

3. How will your State build the capacity of Local Boards and youth councils to develop and manage effective programs?

Capacity building will be provided by a variety of state partners to create an environment upon which to build and develop local efforts. Areas in which technical assistance will be offered include: training on performance standards; building a system based on feedback and continuous improvement; orientation to the requirements and responsibilities of LWIBS; the ability to identify local target populations and determine types of training needed; distinguishing which services and training are available in the local area; classifying jobs, and the skills necessary for those jobs; contract management; identifying and assisting special populations; determining services available from state agencies; and overall program management relative to performance measures and accountability.

4. Describe how any waivers or workflex authority (both existing and planned) will assist the state in developing its workforce investment system.

Kentucky applied for and received a number of waivers under the Job Training Partnership Act which will expire on June 30, 1999. Currently, Kentucky does not intend to request an extension of the existing waivers but is considering applying for workflex authority. Workflex authority could supply the state with the necessary tools to allow maximum flexibility for local

workforce investment areas in meeting the needs of customers. Since the characteristics and demographics across Kentucky are very diverse and contain both rural and urban populations, workflex could provide the means to serve individuals based on their specific needs and the barriers to be overcome within each local area. Kentucky may develop and submit a Workforce Flexibility Plan in order to accomplish these goals and may also seek waivers for the Wagner-Peyser Act.

B. Services: How will you meet the needs of each of the major customer groups identified in Section III? How will the State implement WIA's key principles of streamlined services, empowered individuals, universal access and improved youth services.

1. Describe the types of employment and training activities that will be carried out with the adult and dislocated worker funds received by the State through the allotments under Section 132. How will the State maximize customer choice in the selection of training activities?

Kentucky will maximize the utilization of funds that provide statewide employment and training activities through: increased outreach and marketing, staff cross training, partnerships with public and private entities serving target populations, and outcome goals for customers served and placed in the activities described below:

- The state, in coordination with local boards, shall conduct and periodically report on workforce investment activities in order to achieve increased levels of performance and customer satisfaction.
- The state will provide incentive grants to local areas for cooperation among boards and coordination of activities under this Act. Regional incentive grants may be awarded to regions that meet or exceed the performance measures. Technical assistance will be provided by the Office of Training and ReEmployment to regions that fail to meet performance measures.
- Consistent with the requirements of this Act, Kentucky shall establish and operate a fiscal and management accountability information system. This system will be based on guidelines established by the U.S. DOL Secretary.
- Other allowable statewide employment and training activities authorized by this Act and determined to be necessary to carry out activities relating to the statewide workforce investment system may be conducted.
- Statewide rapid response activities will be conducted through the Cabinet of Workforce Development in coordination with the local areas.
- Local adult and dislocated worker funds will be used to provide all required services as described in Section 134 (d) including the provision of core, intensive, and training services. Local activities will emphasize customer choice by compiling comprehensive lists of eligible training providers and other employment and training activities.

2. How will the services provided by each of the required and optional one-stop partners be coordinate and made available through the one-stop system.

A primary strategy in any coordination is the planning process. Local WIBs will work closely with all partners in the area to ensure an integrated and coordinated approach with the goal to reduce duplication and fragmentation in the delivery of services. Local boards

will have the responsibility to ensure that all required services (and optional/core partners) are available in at least one full-service center in the area.

Critical areas to be focused upon in the planning process include:

- Co-location - Ideally it is recognized that services should be available throughout the Commonwealth through a system of One-Stop Career Centers that feature co-location of partners. However, physical and demographic realities restrict the ability of agencies to staff multiple centers. In keeping with technological advances and to allow the greatest number of possible contact points, electronic connectivity will be a major component of the future of the one-stop system. Through EMPOWER Kentucky initiatives such as Employ Kentucky, the state will continue to explore ways that enable partners external to state government to access data bases.
- Information Sharing – Connectivity and the ability to share common client information is vital to coordinated customer services. While the state will provide a common technology platform and develop confidentiality agreements, LWIBs should continue to discover ways to streamline the system.
- Referral and Assessment – The capability to electronically refer customers and share assessment data will be provided by the state’s technology system. Local flexibility and market demands will allow for different assessment methods which can then be shared among partners.
- Training and Placement Activities – Local WIBs are encouraged to seek out opportunities to coordinate and integrate these types of activities.
- Employer and Job Development – Coordination should occur to ensure that information is shared and employment efforts are maximized.

3. Describe how the funds will be used to leverage other federal, State, local and private resources (e.g. shared one-stop administration costs). Specify how the State will use its 10 percent funds under Section 7(b) of the Wagner-Peyser Act. Describe and provide examples of how these coordinate and leveraged funds will lead to a more effective program that expands the involvement of businesses, employees and individuals.

The most immediate leveraging of funds will occur through certain programmatic cost saving measures, thus making funds available that can be redirected to expand services for more effective programming. These measures may include:

- integration of services, particularly through co-location of service delivery reduces resources committed for facilities and facilities maintenance;
- cross training of staff allows for a broader knowledge base and permits “no wrong door” service delivery. Staff time can be more efficiently used for more effective service delivery;
- integration of services will create reduced administrative activity, permitting reallocation of resources for increased service delivery; and,
- elimination of unnecessary duplication of service delivery will ensure programmatic funds are used to their maximum.

These cost savings will allow for increased involvement of businesses, employers, and individuals by providing enhanced services to each of these customer groups.

In order to address leveraging beyond immediate cost savings, the KWIB will need to address the need for additional state funding for one-stop development. It is clear that the resources from WIA, although important, will not in and of themselves provide enough to create the vision described earlier. The KWIB will review current funding streams within the state and make efforts to realign them so that the ultimate goal can be achieved.

In so doing, the KWIB will study the possibility of implementing cost recovery strategies. The board will create a framework within which local WIBs can develop additional resources for their one-stop system.

4. Describe how the needs of dislocated workers, displaced homemakers, low-income individuals such as migrants and season farmworkers, public assistance recipients, women, minorities, individuals training for non-traditional employment, veterans and individuals with multiple barriers to employment (including older individuals, people with limited English-speaking ability, and people with disabilities) will be met. How will the State ensure nondiscrimination and equal opportunity?

Kentucky will continue to develop and refine strategies to identify and meet the needs of targeted populations in a workforce system that is universal, seamless, customer-focused and performance based. Activities and programs will be assessed for effectiveness and responsiveness and continuously improved to expand outreach and marketing to customers, increase staff development and cross training, and build partnerships with public and private entities that work with targeted groups. These strategies will support success in individual goals and state and local performance outcome goals and will ensure non-discrimination and equal opportunity.

- *Dislocated workers:* The CWD will exchange information and coordinate programs with economic development agencies at state and local levels to develop strategies that may avert plant closings or mass layoffs and accelerate the re-employment of affected individuals. Marketing and outreach efforts will increase awareness of available services to groups such as potential dislocated workers, employers, organized labor, state and local economic development agencies, chambers of commerce, and social services agencies. Worker profiling will increase responsiveness to re-employment needs of the dislocated worker in Kentucky. Early identification and timely referral will maximize effectiveness of the workforce investment system for dislocated workers.
- *Displaced homemakers:* As identified in the Carl D. Perkins Vocational and Applied Technological Act or in WIA, displaced homemakers may be served through access to quality vocational education programs that are high skill, high wage occupations. Employment and training needs will be provided through service providers eligible under WIA. Such institutions may provide skill training, guidance and career counseling, assessment, job placement assistance, and support services such as tuition and crisis counseling. Displaced homemakers will also receive counseling on career opportunities in nontraditional fields.
- *Low-income individuals:* Cabinet for Families and Children (CFC) serves as the chief administrative entity for welfare reform (TANF block grant and the Welfare-to-Work formula grant) and the Food Stamp Employment and Training Program. In every

Kentucky county, local welfare reform planning has brought together a broad spectrum of both businesses as well as a broad spectrum of public and private agencies. These planning efforts have been the basis for the development of local partnerships designed to best serve the needs of indigent individuals who are working to achieve self-sufficiency. Recognizing the value of the one-stop concept and services for meeting these goals, CFC became involved in the one-stop system during its implementation. CFC maintains involvement in one-stop activities in various areas of the state, basing the level of involvement upon local one-stop decisions regarding availability of staff and office space. It is critical to welfare reform that this type of local partnership be sustained to avoid duplication of effort in workforce development activities needed by low income individuals and to assure the seamless delivery of services necessary to achieve success in the workforce.

- *Individuals training for nontraditional employment:* Nontraditional employment is defined as employment in occupations for which individuals from one gender comprise less than 25 percent. To encourage the training and retaining of individuals in such employment, nontraditional training programs and related services to support entry into nontraditional employment will be provided as appropriate. The statewide eligible providers list will specify providers who offer nontraditional training services.
- *Other Individuals with Multiple Barriers to Employment:* Kentucky will enhance the employability and increase the earning potential of individuals with multiple barriers to employment. Strategies to address individual needs will include literacy and basic skills programs, occupational skill training, job analyses, job accommodations, disability awareness training and other activities that may address barriers and support achievement of positive employment outcomes. Individuals with multiple barriers to employment will be offered a continuum of education, job training, career counseling and development to enhance achievement and retention of employment. To enhance the employability skills of individuals with disabilities, local boards, one-stop operators, and providers will assure:
 - representation of individuals with disabilities on staff, where feasible;
 - cross training for staff;
 - disability awareness for staff;
 - outreach programs for individuals with disabilities;
 - specific staff, service goals and expectations;
 - technical assistance to employers including information regarding ADA requirements and available tax credits; and
 - outcome measures of goals and expectations.

5. Describe the criteria developed by the State for local boards to use in determining that adult funds are limited and that priority of service applies. Describe the guideline, if any, the State has established for local boards regarding priority when adult funds have been determined to be limited.

In the event that funds allocated to a local area for adult employment and training activities under paragraph (2)(a) or (3) of Section 133(b) are limited, priority for intensive services and training activities shall be given as follows:

- 1) recipients of public assistance who are members of the target populations specified in the Act;
- 2) all other recipients of public assistance;
- 3) other low-income individuals who are members of the target populations; and
- 4) all other low-income individuals.

6. Describe how the needs of employers will be determined in the local areas as well as on a statewide basis. Describe how services (e.g. systems to determine general job requirements and list jobs), including Wagner-Peyser Act services, will be delivered to employers through the one-stop system. How will the system streamline administration of federal tax credit programs within the one-stop system to maximize employer participation?

- employers will actively participate on the LWIB;
- employers will actively participate on the KWIB;
- business and industry will actively participate on the KCTCS Board of Regents;
- local areas may conduct focus group meetings with area employers to solicit input;
- major market employers will be surveyed to determine current and projected training needs;
- an effort will be made to ensure that changes in the circumstances of local employers i.e., new technology, shifting market demands, etc. are addressed by the workforce training delivery system in an expedient manner;
- employers will be given access to all services of the one-stop system. This will include, but not be limited to, America's Job Bank and the development of a talent bank through Kentucky's Simplified Access initiative. Employers will continue to receive services authorized by the Wagner-Peyser Act. Mandatory partners bring with them expertise in operating federal tax credit programs. All one-stop partner staff will be cross-trained in these programs to ensure full exposure to the employer community.

How will the system streamline administration of federal tax credit programs within the one-stop system to maximize employer participation?

One-stop staff will be trained in the administration of the federal tax cut programs. Additional changes to streamline will require changes to the federal reporting requirements.

7. Describe the reemployment service you will provide to Worker Profiling and Reemployment Services claimants in accordance with Section 3.c.(3) of the revised Wagner-Peyser Act.

The worker profiling and reemployment services system will identify those UI recipients in a field office's administrative area who are most likely to exhaust their claims and who would benefit from re-employment services in order to obtain employment.

If selected from the pool of UI claimants to participate in the profiling program, individuals report to an orientation session during which the program and their responsibility for participation are explained. Those not exempt from further participation proceed to an in-

depth assessment interview. During the assessment interview, the participant and one-stop staff determine which of the available services are most likely to assist the participant to obtain employment. The services included on the profiling program “menu” include:

- in-depth, individual employment counseling to assist those who need to make a vocational choice or overcome other kinds of barriers to employment;
- testing for assessment purposes, utilizing such instruments as the General Aptitude Test Battery (GATB), Interest Inventory, and the Test of Adult Basic Education (TABE);
- self-directed job search, whereby individuals are assigned to make a number of job contacts then report back to a counselor to discuss the results of those contacts and to discuss ways to improve job search techniques; and
- job search workshop training in a group setting which instructs claimants on proven methods for obtaining employment.

Participants who are assessed as needing education or training in order to obtain employment are exempt from further participation in the profiling program if they accept referral to an education or training provider. Other claimants who are assessed as job ready and for whom there are available job orders are immediately referred to employers for interviews and are also considered exempt from further participation in the profiling program. Thus, the profiling program attempts to serve only those who are most likely to benefit from the available reemployment services.

8. Specifically describe the Wagner-Peyser Act-funded strategies you will use to serve persons with disabilities.

Through the one-stop centers, Kentucky will promote and develop employment opportunities for persons with disabilities by providing job counseling and placement services. The agency will designate at least one person in each one-stop center whose duties will include providing services and assistance for individuals with disabilities. The agency will cooperate with the Governor’s advisor for the Americans with Disabilities Act, the DVR and the DFB to provide needed services to persons with disabilities and will adhere to conditions established in 29 CFR, part 34.

9. How will Wagner-Peyser Act funds be used to serve veterans? How will your State ensure that veterans receive priority in the one-stop system, for labor exchange services?

Through the one-stop center, DES will provide employment and training services to veterans. Levels of service are targeted to meet or exceed the performance standards established by the Assistant Secretary for Veterans’ Employment and Training. Currently, these consist of 14 performance standards in five basic categories (placement/obtained employment, placement in jobs listed by federal contractors, counseling, placement in training, and provided some service).

10. What role will LVER/DVOPS staff have in the one-stop system? How will your state ensure adherence to the legislative requirements for veterans staff? How will services under this plan take into consideration the agreement reached between the Secretary and the State regarding veterans' employment programs?

The role of the LVER/DVOP staff will remain the same in accordance with Title 38 and the Special Grant Provisions of the LVER/DVOP Grant Agreement with the United States Department Labor, Veterans Employment and Training Service. The Special Grant Provisions state in part that "As recipient of funds provided pursuant to Title 38, U.S.C., compliance shall be maintained with all applicable statutory provisions and regulations pursuant to Chapters 41 and 42. The grantee will ensure all of its service delivery points provide priority services to disabled veterans and veterans of the Vietnam-era in the provision of all labor exchange services and specifically, when making referrals to job openings and training opportunities, shall observe the following order of priority:

1. special disabled veterans;
2. Vietnam-era veterans;
3. disabled veterans other than special disabled veterans;
4. all other veterans and eligible persons; and
5. non-veterans.

DES will continue to comply with the guidelines and directives as stated in the Special Grant Provisions of the LVER/DVOP agreement and encourage all one-stop partners to abide by these provisions. The state will enter into and comply with a negotiated agreement.

11. Describe how Wagner-Peyser Act funded services to the agricultural community - specifically outreach, assessment and other service to migrant and season farmworkers, and service to agricultural employers. How will you provide equitable services to this population in the one-stop system?

Services to agricultural workers and employers will be provided through the one-stop centers. These services are currently supported by a full-time agricultural program coordinator and the state monitor advocate.

Kentucky will continue to use local and state-wide networks to identify farmers who employ migrant and seasonal labor. Included in these networks will be agricultural employers, growers associations, the Department of Agriculture, USDA Farm Service Agencies, Farm Bureau, and the Agricultural Extension Service to identify farmers who employ migrant and seasonal labor.

One-stop centers will link with agricultural employers and groups representing Migrant and Seasonal Farm Workers (MSFWs) for the provision of all services. One-stop staff who are trained in MSFW programs will be available either directly or through referral at all one-stop locations. Should demand or organizational considerations require, central office MSFW program staff will be available to train additional one-stop personnel in all labor market areas.

Public merit system staff must deliver activities and services funded by the Wagner-Peyser Act.

12. Describe how Wagner-Peyser Act funds will provide statewide capacity for a three-tiered labor exchange service strategy that includes (1) self-service, (2) facilitated self-help service, and (3) staff-assisted service. Describe your State's strategies to ensure that Wagner-Peyser Act-funded services will be delivered by public merit staff.

Staff will provide labor exchange activities through the one-stop center located in the local areas. These activities will be available at three levels: self-service, facilitated self-help, and staff-assisted service.

At the self-service level, customers at each one-stop center may access America's Job Bank on the Internet or Automated Labor Exchange system (ALEX). America's Job Bank can be accessed from any Internet connection.

Facilitated self-help will include assistance from staff in the operation of the hardware/software necessary to access these sources. Guidance will also be available in areas such as resume preparation and interviewing skills.

At the staff-assisted level, one-stop employees will provide job order search and referral, job development, job information service, and employment counseling. Employment counseling includes: vocation assessment, employability development plan, referral to supportive services, referral to training, and job search workshops.

Public merit system staff must deliver activities and services funded by the Wagner-Peyser Act.

13. Describe how your State will provide rapid response activities with funds reserved under Section 133(s)(2), including how the State will use information provided through the WARN Act to determine when to provide such activities.

a. Identify the entity responsible to provide rapid response services.

The Office of Training and ReEmployment will establish a unit to carry out statewide rapid response activities.

b. How will your State's rapid response unit's activities involve the local Boards and local. Chief Elected Officials? If rapid response functions are shared between your State unit and local areas, identify the functions of each and describe how rapid response funds are allocated to local areas.

The State Rapid Response Unit (SRRU) is responsible for directly providing or ensuring that rapid response is provided by the local workforce delivery system. The SRRU, in conjunction with local WIBs and local elected officials, will provide rapid response activities to dislocated workers experiencing worker dislocations such as disasters, mass layoffs or plant closings, or other events precipitating substantial increases in unemployed individuals.

- c. **Describe the assistance available to employers and dislocated workers, particularly how your State determines what assistance is required based on the type of lay-off, and the early intervention strategies to ensure that dislocated workers who need intensive or training services (including those individuals with multiple barriers to employee and training) are identified as early as possible.** The SRRU activities will be carried out in accordance with the pending U.S. DOL guidelines and in coordination with LWIBs and LCEOs.

14. Describe your State's strategy for providing comprehensive services to eligible youth...

The local boards shall identify and contract, on a competitive basis, with eligible providers of youth activities based on recommendations of the local youth councils. There will also be non-financial cooperative agreements with providers of foster care, education, welfare, and other relevant resources.

Local boards shall make information regarding activities, including youth activities, available to the public on a regular basis.

Local youth councils will develop comprehensive services for youth, including a strategy to eliminate duplication of services and to target appropriate funding sources for these services. The delivery of the comprehensive youth services must be a coordinated effort with such agencies as local schools, family resource and youth service centers, foster care, juvenile justice, law enforcement, visually and hearing impaired, and other, relevant local/state resources. Priority will be given to youth who have documented barriers (i.e., individuals with disabilities, pregnant or parenting youth) and are in need of additional assistance to complete their education and obtain employment.

Local youth councils must also develop other linkages/coordinated efforts with Job Corps, youth opportunity grants, and other youth programs. The delivery of comprehensive youth services must be a coordinated effort of all local youth council members in order to eliminate duplication of services and to maximize resources made available to Kentucky's youth.

15. Describe how your State will, in general, meet the Act's provisions regarding youth program design, in particular:

The Commonwealth will meet the Act's requirement for youth program design by ensuring that local boards have the flexibility to develop comprehensive programs that:

- provide effective and comprehensive services to eligible youth seeking assistance in achieving academic and employment success. These shall include a variety of options for improving education and skills competencies and provide effective connections to employers;
- ensure on-going mentoring opportunities for eligible youth;
- provide opportunities for training to eligible youth;
- furnish continued supportive services for eligible youth;

- offer incentives for recognition and achievement to eligible youth, and provide opportunities in activities related to leadership development, decision-making, citizenship and community services.
- One-stop partners will provide occupational exploration for at-risk students, school drop outs, and others to assist in better career decisions. Such activity will be offered within the framework of the child labor and wage and hour laws. This may be offered during the summer and/or in after school programs. The effort to keep these target groups in school will assist Kentucky in providing employers with a workforce that better meets its needs.
- The secondary vocational curriculum is coordinated with postsecondary technical programs, thus preventing duplication and repetition of courses. This relationship between the partners permits secondary students early admission into postsecondary programs through advanced placement or dual enrollment. This effort allows individuals to progress through the educational system more rapidly, increasing workforce participation, and broadening opportunities for educational achievement.
- The Commonwealth will provide services to youth for career guidance and education in order to increase workforce participation and educational achievement while decreasing poverty. Some of these services include, but are not limited to: job search, job placement, guidance and career counseling, substance abuse counseling, parenting classes, on-site child care, and basic skills upgrade programs.
- The demographics of Kentucky indicate that the workforce is shrinking, especially among youth. To assist in the development of a skilled workforce and improve economic vitality, the local WIB will work closely with local educational providers to determine those individuals needing services. Additionally, all school systems within the Commonwealth are required to provide alternative school settings for troubled youth. To assist in providing every Kentuckian with the tools for self-sufficiency, there will be summer employment opportunities offering paid and unpaid work experience within the guidelines of the federal and state child labor, wage and hour laws. These summer opportunities will assist in developing a workforce that will meet employer needs and provide youth with needed resources to continue their education.
- DTE administers and supervises technical education to students in secondary education under the Carl D. Perkins Vocational and Applied Technology Act. The courses offered provide youth with academic and technical knowledge in preparation for a career, future education, and leadership development. This will provide Kentucky with a skilled workforce and economic vitality through high quality educational, training, and employment opportunities.
- The Commonwealth envisions a one-stop service system which maintains strong connections with the job market and employers. Follow-up services will be provided by the one-stop centers and/or various partners in the Workforce Investment System.

C. System Infrastructure: How will the state enhance the systems necessary to operate and manage your workforce investment system?

1. How will the locally-operated ITA system be managed to maximize usage and improve the performance information on training providers? How will the state ensure the quality and integrity of performance data?

Kentucky, recognizing the diverse geographical needs of the state, will allow local workforce investment areas significant flexibility in the operation of the individual training accounts (ITAs) system. Therefore, LWIBs will be required to describe how the local service provider certification system will operate, including the economic, geographic and demographic factors used to determine initial and subsequent eligibility of the providers. Other characteristics to be described include the populations in the area served by the providers seeking eligibility and the barriers to such service. The KWIB will establish policy for the development of the ITA system for application by the LWIBs

Local WIBs will also be required to specify in local plans the individual training account system, particularly the criteria used if the board should determine that an insufficient number of providers exists or when other exceptions to ITAs may be invoked. The criteria shall include any cost ceiling or limitations on the amount of an ITA and the criteria employed to ensure reasonableness of costs.

The state will insure compliance with local plans through its monitoring system. Monitoring activities will include the review of policies and procedures, expenditure reports, information system reports, the service provider certification process, the individual training account system, and the review of performance, both at the provider and the area levels. However, recognizing that performance is the ultimate compliance indicator, outcomes, rather than processes, will be the determinate of success at the local level.

The state will maintain electronically the list of eligible training providers and performance data and will provide for its update as often as possible, but not less than annually. In an effort to assist individuals in selecting the appropriate training provider, this information will be available to the LWIBs, the one-stop center staff, and individuals in multiple forms including electronic, print and public media. The *Kentucky Resource Directory* will serve as another vehicle to access information regarding providers and performance.

2. How will state improve its technical and staff capacity to provide services to customers and improve entered employment outcomes? How will your state use technology such as Jobline, "swipe card" technology, a community voice mail system or other methods to build a mediated and electronic labor exchange network? How will the state use America's Job Bank/State Job Bank Internet linkages to encourage employers to enter their own job orders on the Internet.

In an effort to improve the state's technical and staff capacity, there is currently underway several innovative projects to achieve this goal. Through Employ Kentucky and EMPOWER Kentucky, data systems are being designed and tested that encourage employers and job seekers to better meet the other's needs. DES will design a new data system to allow employers to directly enter job orders. America's Job Bank will be available in all one-stop centers. Employers will be encouraged to use these electronic linkages. Staff development programs will include elements of disability awareness. Other elements may include staff cross training, customer service, case management, teams work,

leader/facilitator, tools and presentation skills. Ultimately, these efforts will improve services to customers and employment outcomes.

In an effort to improve the state's technical and staff capacity, there are currently underway several innovative projects to achieve this goal. Through Employ Kentucky and EMPOWER Kentucky, the Commonwealth is directing funding and training efforts in the development of systems that directly address the improvement of services to customers. In particular the EMPOWER Kentucky office is developing a statewide training curriculum that seeks to improve both technical and staff skill sets in the implementation of new technology initiatives. The training includes elements of disability awareness, staff cross training, customer service, teamwork, leader/facilitator, tools and presentation skills. Ultimately, these efforts will improve services to customers and employment outcomes.

3. How will the state improve its employment statistics system?

The collection of accurate and complete information is essential to the administration of the workforce development system, career choices for youth, Kentucky's economic development efforts, and to the planning and staffing decisions of employers. Therefore, the Division of Administration and Financial Management within DES will seek guidance from the U.S. DOL, Bureau of Labor Statistics, along with input from state agencies and local leadership to develop improvements to the collection and reporting of employment statistical data. This program of improvement will include revision to current computer systems and publications of the agency.

Every employer will be surveyed through the unemployment insurance tax reporting system. This process will become the vehicle for a more complete set of data regarding wages by occupation, demand by occupation, occupational outlook by industry sector, economic forecast by industry sector, and other data determined by the KWIB to be relevant to perfecting workforce development services.

V. PERFORMANCE MANAGEMENT

A. For each of the core indicators identified in Section II, the customer satisfaction indicator and additional state measures, explain how the state worked with local boards to determine the level of the performance goals.

Kentucky, in its accountability process, has recognized unique state and local circumstances. As the Commonwealth identifies its performance goals prior to July 1, 1999, the state will meet with local boards to negotiate adjusted levels of performance. Discussions will include a determination of regional and population characteristics, strategies for services, and appropriate data sources. Kentucky will emphasize a continuous improvement enrichment when developing its performance measures.

B. Does the state have a common data system in place to track progress? If so, describe.

Kentucky is currently developing several technology projects under the EMPOWER Kentucky initiative. These include a data warehousing project that will allow all information to be shared via a common repository. A shared client information system that will begin the client tracking process is also under development. A joint application design team will be brought together that will

examine existing management information systems and research ways to link these resources. In addition, local areas will be required to develop standardized data collection and reporting systems while maintaining the flexibility to collect and report additional data.

C. Describe the system(s) by which the state measures customer satisfaction for job seekers and employers.

Customer satisfaction is critical to Kentucky's continuous improvement efforts. Several of the partners identified in the Act currently assess customer satisfaction in order to meet federal mandates. LWIBs will develop instruments to measure satisfaction with services, service delivery and outcomes. Technical assistance will be provided by the Office of Training and ReEmployment to develop and implement measures of customer satisfaction.

Kentucky has identified job seekers, employers and information seekers as customers of the workforce investment system. Measurement by LWIBs will provide the state with information necessary to establish a baseline of satisfaction with the expectation that the customer satisfaction index will improve each year. The KWIB will require information on overall customer satisfaction but would support flexibility among the LWIBs which may choose the information beyond the core indicators of services, service delivery, and outcomes. Methods of measurement may include, but are not limited to, surveys, mail and telephone, follow-up interviews, and postcards. The LWIBs may also choose customer satisfaction performance measures that take into account local differences in demographics, economic conditions, and services provided to targeted groups.

D. Describe any actions the Governor and the state board will take to ensure collaboration with key partners and continuous improvement of the statewide workforce investment system.

The KWIB will establish general oversight requirements for the LWIBs to ensure that specific monitoring and oversight policies and continuous improvement goals are in place. At a minimum, an annual evaluation regarding the policies and outcomes will be conducted by the Office of Training and ReEmployment at the direction of the KWIB.

E. How will the state and local boards evaluate performance?

Both the KWIB and LWIBs will use the departure points for performance indicators as required by the Act.

The Commonwealth has chosen to use the core performance indicators as required by the U.S. DOL. The Governor has chosen not to impose further prescribed indicators in the measurement of the performance of the areas at this time. These indicators are detailed in Section II of this plan.

The determination of state or local performance measured against its adjusted standards will determine whether a provider has failed to meet all performance indicators. The state has defined failed to meet as performing below the specific performance indicator. State service providers will be monitored by the Office of Training and ReEmployment, and local providers will be monitored by the LWIBs.

When a provider does not meet a performance indicator (discovered through desk top monitoring), technical assistance will be provided to assist the area/provider in improving the performance and corrective action may be required. If the area/provider fails to improve the performance after the specified time frame, sanctions may be imposed (which may include reorganization of the area or termination of provider eligibility).

The KWIB and LWIBs will use performance information to make necessary adjustments for continual improvement in provider performance over the five-year period and beyond.

VI. ASSURANCES

1. The state assures that it will establish, in accordance with Section 184 of the Workforce Investment Act, fiscal control and fund accounting procedures that may be necessary to ensure the proper disbursement of, and accounting for, funds paid to the state through the allotments made under Sections 127 and 132.
2. The state assures that the Governor shall, every two years, certify to the U.S. Secretary of Labor, that:
 - (A) The state has implemented the uniform administrative requirements referred to in Section 184(a)(3);
 - (B) The state has annually monitored local areas to ensure compliance with the uniform administrative requirements as required under Section 184(a)(4); and
 - (C) The state has taken appropriate action to secure compliance pursuant to Section 184(a)(5).
3. The state assures that the adult and youth funds received under the Workforce Investment Act will be distributed equitably throughout the state, and that no local areas will suffer significant shifts in funding from year to year.
4. The state assures that veterans will be afforded employment and training activities authorized in Section 134 of the Workforce Investment Act, to the extent practicable.
5. The state assures that the Governor shall, one every two years, certify one local board for each local area in the state.
6. The state assures that it will comply with the confidentiality requirements of Section 136(f)(3).
7. The state assures that no funds received under the Workforce Investment Act will be used to assist, promote, or deter union organizing.
8. The state assures that it will comply with the nondiscrimination provisions of Section 188, including an assurance that a Methods of Administration has been developed and implemented.
9. The state assures that it will collect and maintain data necessary to show compliance with the nondiscrimination provisions of Section 188.
10. The state assures that it will comply with the grant procedures prescribed by the U.S. Secretary of Labor (pursuant to the authority at Section 189(c) of the Act) which are necessary to enter into grant agreements for the allocation of and payment of funds under the Act. The procedures and agreements will be provided to the state by the ETA Office of Grants and Contract Management

and will specify the required terms and conditions and assurances and certifications, including, but not limited to, the following:

- General Administrative Requirements:

29 CFR part 97 Uniform Administrative Requirements for State and Local Governments (as amended by the Act)

29 CFR part 96 (as amended by OMB Circular A-133)

OMB Circular A-87 Cost Principles (as amended by the Act)

- Assurances and Certifications:

SF 424 B Assurances for Non-construction Programs

29 CFR part 31, 32 Nondiscrimination and Equal Opportunity Assurance (and regulation)

CFR part 93 Certification Regarding Lobbying (and regulation)

29 CFR part 98 Drug Free Workplace and Debarment and Suspension Certifications (and regulation)

- Special Clauses/Provisions:

Other special assurances or provisions as may be required under federal law or policy, including specific appropriations legislation, the Workforce Investment Act, or subsequent Executive or Congressional mandates.

11. The state certifies that the Wagner-Peyser Act Plan has been integrated into this plan and certified by the State Employment Security Administrator.
12. The state certifies that veterans' services provided with Wagner-Peyser Act funds will be in compliance with 38 U. S. C. Chapter 41 and 20 CFR part 1001.
13. The state certifies that Wagner-Peyser Act-funded labor exchange activities will be provided by merit-based public employees.
14. The state certifies that Workforce Investment Act, Section 167 grantees, advocacy groups as described in the Wagner-Peyser Act (e.g., veterans, migrant and seasonal farm workers, people with disabilities, UI claimants), the state monitor advocate, agricultural organizations, and employers were given the opportunity to comment on the Wagner-Peyser Act grant document for agricultural services and local office affirmative action plans and that affirmative action plans have been included for designated offices.
15. The state assures that it will comply with the annual Migrant and Seasonal Farm worker significant office requirements in accordance with 20 CFR part 653.

16. The state has developed this Plan in consultation with local elected officials, local workforce boards, the business community, labor organizations and other partners.
17. The state assures that it will comply with Section 504 of the Rehabilitation Act of 1973 (29 USC 794) and the Americans with Disabilities Act of 1990 (42 USC 12101 et seq.).
18. The state assures that funds will be spent in accordance with the Workforce Investment Act and the Wagner-Peyser Act legislation, regulations, written Department of Labor guidance, and all other applicable federal and state laws.

DEBARMENT

**Certification Regarding
Debarment, Suspension, and Other Responsibility Matters
Primary Covered Transactions**

Application Organization: **Workforce Development Cabinet**

This certification is required by the regulations implementing Executive Order 12549, Debarment and Suspension, 29 CFR Part 98, Section 98.510, Participants' Responsibilities. The regulations were published as Part VII of the May 16, 1988, Federal Register (Pages 19160-19211).

**(BEFORE SIGNING CERTIFICATION, READ ATTACHED INSTRUCTIONS WHICH ARE
AN INTEGRAL PART OF THE CERTIFICATION)**

1. The prospective primary participant, (i.e. grantee) certifies to the best of its knowledge and belief, that it and its principals:
 - a. Are not presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from covered transactions by any federal department or agency;
 - b. Have not within a three-year period preceding this proposal been convicted or had a civil judgement rendered against them for commission of fraud or a criminal offense in connection with obtaining, attempting to obtain, or performing a public (federal, state, or local) transaction or contract under a public transaction; violation of federal or state antitrust statutes or commission of embezzlement, theft, forgery, bribery, falsification or destruction of records, making false statements, or receiving stolen property.
 - c. Are not presently indicted for or otherwise criminally or civilly charged by a government entity (federal, state, or local) with commission of any of the offenses enumerated in paragraph (1) (b) of this certification; and
 - d. Have not within a three-year period preceding this application/proposal had one or more public transactions (federal, state, or local) terminated for cause or default.
2. Where the prospective primary participant is unable to certify to any of the statements in this certification, such prospective participant shall attach an explanation to this proposal.

Allen D. Rose, Secretary

Name and Title of Authorized Representative

Signature

Date

LOBBYING

Certification Regarding Lobbying
Certification for Contracts, Grants, Loans, and Cooperative Agreements

The undersigned certifies, to the best of his/her knowledge and belief, that:

1. No federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a member of Congress in connection with the awarding of any federal contract, the making of any federal grant, the making of any federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any federal contract, grant, loan, or cooperative agreement.
2. If any funds other than federally appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or any employee of a Member of Congress in connection with this federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by Section 1352, Title 31, U. S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Cabinet for Workforce Development

Allen D. Rose, Secretary
Name and Title of Authorized Representative

Signature

Date

NONDISCRIMINATION

29 CFR Part 34

Nondiscrimination and Equal Opportunity Certification

As a condition to the award of financial assistance under WIA from the Department of Labor, the grant applicant assures, with respect to operation of the WIA-funded program or activity and all agreements or arrangements to carry out the WIA-funded program or activity, that it will comply fully with the nondiscrimination and equal opportunity provisions of the Workforce Investment Act of 1998, including the Nontraditional Employment for Women Act of 1991; title VI of the Civil Rights Act of 1964, as amended; Section 504 of the Rehabilitation Act of 1973, as amended; The Age Discrimination Act of 1975, as amended; title IX of the Education Amendments of 1972, as amended; and with all applicable requirements imposed by or pursuant to regulations implementing those laws, including but not limited to 29 CFR Part 34. The United States has the right to seek judicial enforcement of this assurance.

Cabinet for Workforce Development

Allen D. Rose, Secretary

Name and Title of Authorized Representative

Signature

Date

VII. PROGRAM ADMINISTRATION DESIGNEES AND PLAN SIGNATURE

Name of WIA Title I Grant Recipient Agency:
Address:
Telephone Number: _____ - _____
Facsimile Number: _____ - _____
E-mail Address: _____

Name of State WIA Title I Administrative Agency (if different from the Grant Recipient):
Address:
Telephone Number: _____ - _____
Facsimile Number: _____ - _____
E-mail Address: _____

Name of WIA Title I Signature Official:
Address:
Telephone Number: _____ - _____
Facsimile Number: _____ - _____
E-mail Address: _____

Name of WIA Title I Liaison:
Address:
Telephone Number: _____ - _____
Facsimile Number: _____ - _____
E-mail Address: _____

Name of Wagner-Peyser Act Grant Recipient/State Employment Security Agency:

Commonwealth of Kentucky
Cabinet for Workforce Development
Department for Employment Services
275 East Main Street, 2nd Floor
Frankfort KY 40621

Address:

Telephone Number: 502 - 564 - 5331
Facsimile Number: 502 - 564 - 7452
E-mail Address: Mwhittet@mail.state.ky.us

Name and title of State Employment Security Administrator (Signatory Official):

Address:

Telephone Number: _____ - _____ - _____
Facsimile Number: _____ - _____ - _____
E-mail Address: _____

As the Governor, I certify that for the State/Commonwealth of Kentucky, the agencies and officials designated above have been duly designated to represent the State/Commonwealth in the capacities indicated for the Workforce Investment Act, Title I, and Wagner-Peyser Act grant programs. Subsequent changes in the designation of officials will be provided to the U. S. Department of Labor as such changes occur.

I further certify that we will operate our Workforce Investment Act and Wagner-Peyser Act programs in accordance with this Plan and the assurances herein.

Typed Name and Signature of Governor

Date